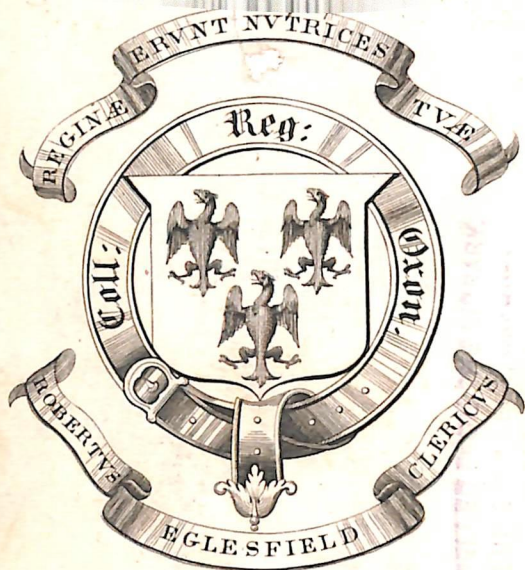


SCROPE'S
POLITICAL
ECONOMY



LOND. 1833





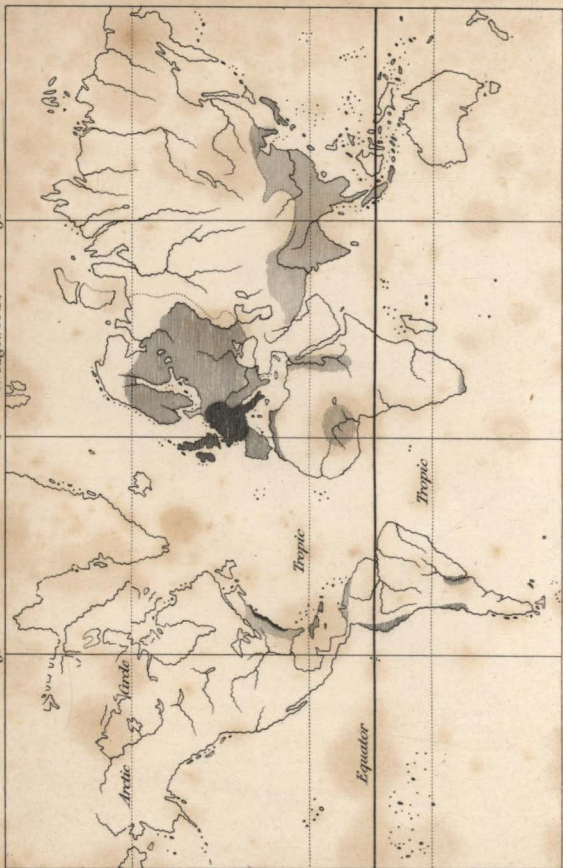
Almnnificencia
Roberti Alason S. T. P.

“ The conservation and secure enjoyment of our NATURAL RIGHTS is the great and ultimate purpose of civil society ; and all forms whatsoever of government are only good as they are subservient to that purpose, to which they are entirely subordinate.”—BURKE. *Tract on the Popery Laws.*

The fully-peopled surfaces averaging more than 200 inhabitants to the square mile are blackened thus ■

The under-peopled surfaces averaging from ten to 200 inhabitants to the square mile are shaded thus ●

The yet almost wholly unoccupied surfaces averaging less than ten inhabitants & rarely so much as one to the square mile, are left blank.



MAP Exhibiting the comparative extent of the fully-peopled, the under-peopled, and the yet un-peopled parts of the Earth.

PRINCIPLES
OF
POLITICAL ECONOMY,
DEDUCED FROM THE
NATURAL LAWS OF SOCIAL WELFARE,
AND APPLIED TO THE
PRESENT STATE OF BRITAIN.

BY
G. POULETT SCROPE, M.P.

F.R.S., &c.

"The rules of Political Economy are as simple and harmonious as the laws which regulate the natural world, but the strange and wayward policy of man would render them intricate and difficult."—*Tracts by C. L., Esq.*, 1832.

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TO
THE CONSTITUENCY
OF THE
BOROUGH OF STROUD.

Books were formerly dedicated to some powerful personage whom the Author coveted as a Patron, whose name might confer honour on his work, or who had laid him under weighty obligations. These are perhaps not the least among the motives which induce me to inscribe this little volume to you, my kind friends, from whom I have experienced so much favour, and of whose confidence I feel so justly proud.

But I have other apologies to plead for the liberty I am taking. The relation of representative and constituent is now very different from what it was when the privilege of making the laws which decide the destinies of a great people was sold to the highest bidder. Mutual regard, reciprocal confidence, and a general agreement on political principles, now form the bond of union between a parliamentary trustee and those who appoint him. The most perfect openness, the most candid exposure of his opinions on matters

of public interest, is what they have a right to expect from him. Since to them he owes his public character, to them he is accountable for his public conduct, whether in or out of parliament. On this ground then, alone, I should feel justified in addressing to you a volume which contains my sentiments on many great questions of legislative policy. Nor can a work, the main object of which is to set forth the Rights of Industry to the full enjoyment of its fruits, be more appropriately inscribed than to the inhabitants of a district distinguished for the honourable and successful industry of an enlightened, and, I sincerely believe, beyond that of other manufacturing districts, an orderly, virtuous, and happy population.

I am,

With the truest respect and regard,

Gentlemen,

Your very obedient Servant,

THE AUTHOR.

PREFACE.

THE prevailing want of the present day seems to be a want of correct information as to the true interests of society. The progress of popular education has already infused a *mind* into masses heretofore but passive instruments in the hands of those who were the exclusive possessors of knowledge. *The people* now read; the people reason; the people think for themselves. What do they read? What are their thoughts? From what principles do they reason? These are questions of deep import. For the answers to them must determine the ultimate result of the revolution, hitherto a tranquil and bloodless, but yet a complete revolution, which has long since commenced, and is in active progress throughout Europe. By education the people are everywhere acquiring knowledge; and knowledge *is* power.

Whilst education was nearly confined to the few whose position led them to cultivate literature as a recreation, an amusement, or a resource against vacancy, the subjects which attracted the greatest attention were naturally of a correspond-

ing character—light, unsubstantial, and objectless. The refinements of classical literature—the charm of poesy—the studied graces of composition—the subtle logic of the schools—the idealisms of metaphysics—the abstract speculations of exact science—and the nice distinctions of theological dissent—these were, in turn or together, the engrossing subjects of study and controversy. But the thirst of *the people* for knowledge is not to be slaked at such fountains. Those whose daily labour wins their daily bread, with whom comforts are scarce, and necessities not abundant; whose very means of existence are in the highest degree precarious,—this class no sooner begins to read, to think, to reason, and to inquire, than their reading, their thoughts, their reasoning, and their inquiries run into channels of vital interest to themselves, and immediately connected with their own position. They ask themselves, they interrogate each other, they consult all publications to which they have access, upon the to them all-important question, ‘How it happens that their condition is so depressed—their position so precarious? Whether this state of things is necessary, and, if so, why? If not, then how it may be ameliorated?’ For to tolerate it any longer than appears to them unavoidable, assuredly they will not submit.

Hence it is that the subjects we have mentioned,

as once engrossing the attention of the reading public, are now comparatively neglected; and even the more useful branches of information on natural history, and the arts and sciences, fail in obtaining much regard, to the discomfiture of their wondering teachers and professors. The prevailing stream of thought and argument sets towards questions of deeper moment, of more urgent and immediate bearing on the interests of mankind. A strong, though as yet scarcely recognized feeling has in fact begun to pervade society, that the well-being of its component members is the object most deserving of its attention, and should be its first and most prominent study; that the physical and mental happiness of man may be most materially influenced by his social arrangements; and that these arrangements are susceptible of great and indefinite, if not infinite improvement, so as to bring about a proportionate increase of happiness to the individuals united under them, by the simple application to their study and perfection of the same sagacity, foresight, and powers of reasoning, which have effected such prodigious advances in the arts and sciences.

This feeling exhibits itself in the political excitement, which more or less pervades every nation of Europe; and still more in the subjects discussed by the periodical press of every state where freedom of discussion is allowed. The

questions agitated in all assemblies—indeed, wherever two or three are gathered together—in the hovel no less than in the palace—in the village pot-house, as in the brilliant circles of metropolitan rank and fashion—in the factory, as well as the club—have a direct practical relation to the constitution and interests of society. The conduct, the character, and the structure of governments and legislatures—the nature and probable results of laws to be enacted or repealed—taxation, the public debt, poor-laws, free trade—the condition and prospects of the great leading interests of the state, agricultural, commercial, and manufacturing—and, above all, of the labouring class, comprehending, as it does, the numerical majority, and, consequently, the physical powers of the community—these are now matters ‘familiar to our ears as household words,’ the topics of daily, hourly conversation and discussion, in every corner of almost every land;—often ignorantly, stupidly, blunderingly treated, it may be;—but still canvassed, spoken, written, read, THOUGHT upon.

The spirit that so occupies and agitates the general mind is not, as some pretend, one of causeless and casually excited dissatisfaction; it is no paroxysm of feverish irritation or chronic restlessness: it is the natural consequence of the progress which the many have made in the know-

ledge of facts, and in the power of reasoning from them. It is not symptomatic of disease, but rather of that period in the growth of the human intellect when it passes from adolescence to maturity : it indicates the approaching transition of society into a state of greater health and vigour.

The ideas of many who occupy themselves with such subjects are, no doubt, vague and indistinct ; their opinions are fluctuating, and often contradictory ; prejudice obscures the sight of numbers ; false lights and visionary alarms deceive and distract the attention of more ; the views of some are narrow, mean, and selfish ; of others, wildly speculative and theoretical ; of a few, destructive and criminal ; but there is an average of correct apprehension, sound judgment, and virtuous intention, from which much may be expected. Above all, there is a common desire, nay, a determination to inquire into, and thoroughly sift the arrangements of society, and a valuable acknowledgment from all sides that the object of these arrangements, and the end sought for in their discussion, is the benefit, not of one, or a few individuals, but of the mass of the associated community—in the quaint phrase of the Utilitarian sage, ‘ the greatest happiness of the greatest number.’ From the concussion of such elements good can scarcely fail to be elicited. Confiding, as I do, in the

force and ultimate victory of TRUTH, and firmly persuaded of its beneficial tendency, I augur well of the struggle which is now going on, and entertain sanguine expectations of its result.

This little work is an attempt to aid the solution of the great problem now undergoing such general discussion. It is offered as an humble contribution towards the great fund of knowledge now in process of accumulation, (and dispersed as fast as accumulated,) on the principles of social welfare. It directs itself especially to investigate and explain the laws that determine the supply of a people with the necessities, comforts, and luxuries of physical existence. It is this branch in particular of the science (if so it may be called) of social happiness, which appears to the writer to be at present, if not the most neglected, at all events the least understood in theory, and the most mismanaged in practice.

The character of nearly all governments is undergoing a rapid improvement, even where their forms remain unchanged. The welfare of the people is now universally acknowledged as the only legitimate end of state policy. The spirit of conquest and the mad thirst after military glory have subsided before the humanizing influence of a lengthened personal, literary, and commercial intercourse between nations. Education has taken rapid strides in almost every quarter, and is

quickly dispelling the bigotry and intolerance which cunning had engrafted upon ignorance. The press, the organ at once and the guide of public opinion, has widely extended its peaceful but powerful sway. A community of thought and feeling, a sense of kinship and common interest, a kind of cosmopolitan sympathy, is establishing itself among bodies of men in every region of the globe ; and millions of hearts now vibrate to the same chord, in conscious unison, from the Mississippi to the Ganges, from Torneo to the Cape. The number of minds everywhere occupied in the investigation of useful subjects, and the means afforded for the intercommunication of their respective discoveries, has prodigiously multiplied. Art, science and literature have made, and are daily making, corresponding advances. The mechanical arts, especially, have moved forward with unexampled celerity ; invention has succeeded invention, until the facilities for producing objects which shall minister to the ever-varying tastes and ever-augmenting wants of man, seem almost boundless.

Still, amidst these bright and promising prospects, some gloomy shadows are visible. Something still disturbs these elements of general improvement, neutralizes their beneficial qualities, and hinders them from combining, as might be expected, to work out a general and

uniform advance in happiness. Wealth, it is true, has increased in certain quarters; but poverty, on the other hand, has increased likewise, or, at least, has not proportionately diminished. There is almost everywhere an actually overflowing supply of articles of luxury and refinement. But there is, at the same time, almost everywhere, an ominous and anomalous want of the very necessities of subsistence. Knowledge is increasing; discoveries in art and science are adding daily to the stock of superfluities; while *food*, the staff of life, seems to be stationary, not to say retrograde, in the rate of its supply.

This is not as it should be. There is something wrong

‘When wealth accumulates as men decay.’

It is not merely an unhappy and a dangerous, it is an unnatural and paradoxical state of things. It can only be the result of culpable mismanagement, mismanagement having its root either in the fraud or the ignorance of those who model the institutions, and administer the resources of nations. Ignorance, rather than fraud, we believe to be the main root of the evil. No statesman, no despot even, in the present day, sets to work knowingly to destroy his country and deteriorate the condition of the people under his sway, for his own selfish purposes. It is well understood now that the interest of the governor lies in the

well-being of the governed; that political discontents have their origin in physical distresses; that the ease, the power, the wealth, the glory, of a government depend on the prosperity of the nation it presides over. It is to the ignorance then of both governors and governed, as to the just direction of their collective resources, and the true principles of economical policy; to the blundering stupidity of power, rather than to its knavery and wickedness, that we must trace the defective arrangements, and consequently imperfect operation of the mechanism of most existing societies.

This ignorance, like that of every other kind, is to be dispelled by inquiry and discussion. The rules for securing the physical well-being of communities are simple, and, when sought in a spirit of candour, almost self-evident. The writer has endeavoured to clear the subject from the abstruse and unnecessary mystification in which it has been shrouded of late by some of its more popular expounders; and to bring its leading principles within the comprehension of readers of all classes possessed of plain common-sense understandings.

It has been thought advisable to introduce the strictly economical part of the subject, by a preliminary discourse on the rights, duties, and interests of man in society, for the sake both of thereby defining with greater accuracy the true

scope and limits of political economy ; and also of establishing a ground-work of axiomatic principles, with respect to the rights of individuals and the duties of governments, resting upon which the maxims of political economy assume the character, not of mere curious and interesting speculations, but of rules of imperative duty on the part of governments, and of unquestionable right on the part of the governed.

One primary object which the writer has had in view, in this as well as in other previous publications, he acknowledges to be the refutation of that most pernicious dogma which has long been palmed upon the public as the fundamental axiom of political economy : namely, ‘ the tendency of population to exceed the procurable means of subsistence.’ His desire has been to demonstrate, in opposition to the heartless and paralyzing doctrines which this chimera has engendered, that man’s deficiency of subsistence is his own wilful fault,—that, in his aggregate capacity, he has everywhere and always had within reach the sources of an abundant supply for the satisfaction of all his reasonable wants ; and that, so far from any artificial limitation of numbers being needed in the present mid-day blaze of knowledge applicable to the improvement of his productive powers, nothing more is wanting, in order to secure a continual *increase* of the means of physical enjoy-

ment *at the command of every individual*, however rapid the growth of numbers, than that societies should exert, in the prosecution of their collective interests, and the enlargement of their collective resources, the same prudential foresight which individuals are accustomed to employ in advancing their particular interests, and extending their individual means.

If he succeed only in obtaining the recognition of this great truth, the author's most ardent wishes will be amply fulfilled. It is pregnant with inferences which cannot but lead to results of incalculable benefit to the whole human race.

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PRELIMINARY DISCOURSE.

ON THE COINCIDENCE OF THE RIGHTS, DUTIES, AND
INTERESTS OF MAN IN SOCIETY.

CHAPTER I.

Definition of Right—some Rule of Right necessary—Moral and Legal Rules of Right—should coincide with Natural Right—Rights and Duties correlative.

THE axiom, that 'whatever is is right,' has been said, sung, and upheld in various argument. But though perfectly true in the sense that Providence has, on the whole, ordered all things for the best, it is evidently false if applied to individual actions; as, for example, cruelty, theft, and murder. Providence, in arranging things '*on the whole for the best*,' has left to man the liberty of acting on any occasion in a variety of ways; of all which but *one* only can be *right*, or '*for the best*.'

In the conduct of man, therefore, and in the circumstances by which he surrounds himself, it seldom happens that what is *ought to be*, or is '*right*.' Caprice often urges him in one direction, prejudice in another, selfishness in a third, sympathy in a fourth, fear in a fifth, habit in a sixth, while force perhaps supervenes and compels him to move in one totally distinct from all of

these. Yet in whatever way he may be led to act under the influence of such conflicting motives, there has been all along one, and but one, *right* course which he 'ought' to have taken, which alone would have been 'for the best;' that is, as we interpret it, '*most for the welfare of mankind.*'

Paley makes abstract or natural right to depend on the will of God, directly revealed, or deduced from His general intentions, as they are evidently displayed in His works. And for those who believe with Paley, as we most firmly do, that God wills the greatest attainable happiness of his sentient creatures, and especially of mankind, the will of God becomes an additional and most powerful sanction of 'the right' in the sense here assigned to it. But whether it can be *proved* or not to the satisfaction of every one, by the evidence of natural or revealed religion, that the Creator does will the greatest attainable happiness of mankind in this world, it must remain self-evident to every reasonable mind, and will probably be disputed by none, that whatever course of conduct makes most for the happiness of mankind is, abstractedly, 'for the best,' or *right* in man. Abstract right, therefore, or, in other words, natural justice, may be defined as 'that disposition of the circumstances within his power by man, which is most for the welfare of mankind.'

Throughout all ages and nations there has been more or less of direct reference to the good of mankind, the happiness of society, the public welfare, and similar phrases, as the standard of right and justice. And both the moral rules which have been suggested at various periods by the best and

wisest of men, and the laws which have been established by power, with or without the assent of the society for which they were intended, have alike professed to aim at the promotion of this great end.

These rules of morality or law have necessarily partaken of the error incident to every human achievement; and, moreover, even if we could conceive them to have been, in any instance, perfect when first laid down, they will have required occasional change to suit the changing circumstances of man. From both which causes there must, even in the best of times, have been some discrepancy between that which the legal or moral codes of society recognized as *right*, and true moral or natural right. This discrepancy it would be the office of wisdom to discover and remove, so as to bring the legal and supposed moral right to coincide as completely as possible with natural right.

Unhappily wisdom has had but little to do with the proceedings of most law-makers; nor, had they all been Solons in capacity, was their real object always that which they professed to have in view. While the public welfare has been on their lips, their own private advantage, or the indulgence of their selfish passions, was but too frequently uppermost in their minds. In this way the discrepancies between legal and natural rights have been widened, until at times all trace of the latter has disappeared from the institutions of a society, and been utterly lost sight of by those who enforce or expound them; until, in the maze of precedent and prescription, the means have been mistaken and worshipped for the end, and the law has been

looked upon as an abstract something to be venerated and pursued for its own sake, independent of its bearing on the welfare of man; until it has even been stoutly denied that there is, or can be, any other right than *that which is established by law*.

The absurdity of this not uncommon opinion need hardly be exposed. If there is no right antecedent to the establishment of law, then where there are no laws, as in a newly-occupied country, there are no rights; and men may ill-treat, plunder, nay, murder one another without doing wrong. If law is the only standard of justice, then there must be as many such standards as there are varying laws throughout the world; and it must be right and just that the emperor of Morocco should cut off the heads of his subjects as an amusement before breakfast, if it so pleases him; that the Brazilians should kidnap and make slaves of as many Africans as they can catch, and that the New Zealanders should kill and eat each other with salt and lemon-juice. But it is quite evident that justice is one and invariable; that laws may sanction wrong as well as right; that there must be therefore some other criterion of their justice or rightfulness than their establishment by the local authority of the day, or their antiquity; and this test *can*, in our opinion, be no other than their tendency to promote to the utmost the welfare of mankind*.

* There are two objections which may be advanced against this foundation of natural rights.

I. That there may be many different opinions as to what tends most to the welfare of mankind; and who is to decide the point? The answer is, that the same objection applies

Believing this object to be favourably regarded by our gracious Maker, we are not surprised to find that He has endowed man with an instinctive sense of right, and a disposition to act in accordance with it. That there is more or less of an intuitive sentiment of justice present in every unprejudiced mind, is scarcely denied by any one, though some refer it to a modification of sympathy, others of selfishness. All the three principles are, indeed, intimately associated. To act

to any other supposed foundation of natural right, as the will of God, or the instinctive sentiments of man. The appeal must, in all cases, be to the reason of those who will think upon the subject. It is to that tribunal that every writer addresses himself. Those who do not acknowledge the authority and unity of reason, calmly and impartially exercised, may dispute the propriety of such reference; but then the same persons must dispute, on the same grounds, the existence of any essential distinction between right and wrong, for none can be shown to exist but by an appeal to reason, that is, to *enlightened instinct*.

II. The second objection is, that the welfare of mankind, meaning thereby the entire species, is an expression so vague as to admit almost any latitude of interpretation. The answer is, that wherever men are gathered together in a social state, the interests of that society must be considered, of course, to be that of the species, unless plain proof to the contrary is made manifest. And again, that the interest of the present generation must be supposed coincident with that of the race, or of future generations, in the absence of strong proof to the contrary. Where such proofs are accessible and clear, then the balance must be struck in favour of the mass and the species. But the welfare of distant nations or ages may well be left by shortsighted mortals to that creative Providence which has endowed them with a power to control to a certain extent their own destiny and that of their species, but has, no doubt, limited that power within such bounds as will prevent their errors from permanently affecting any of the works of His wisdom.

rightly is the surest way of benefiting ourselves as well as our neighbours*.

But in the rude collisions of the world the fine natural sentiment of right is apt to be rubbed off, or incrustated with prejudices of various kinds, and biassed by views of less enlightened selfishness; so that it becomes unsafe to depend on its judgment alone, and necessary to establish fixed *rules* for the guidance of human conduct in the path of rectitude.

The expediency of some restraint on individual freedom of action is easily seen. Man, by the constitution of his nature, is a social animal. Wherever the species has been observed, it is gathered into groups, composed of several families. But in every society, however limited, the will of the individuals composing it *must*, by the very nature of things, be limited in its exercise. There is, for example, a physical impossibility that two individuals should stand or lie in the same place, or eat the same fruit or piece of flesh. And

* ‘Man has a law within himself to himself. He hath the rule of right within. All that is wanting is only that he honestly attend to it.’—*Butler’s Treatise on Human Nature*. Hume, Reid, Brown, Lord Kames, and Dugald Stewart, as well as Butler and Locke, uphold the ‘moral sense’ or social instinct. A recent writer has well described its character. ‘There is in our nature an original and inward principle of love to our kind, expressly designed by its Divine Author to generate our moral sentiments and affections, and ultimately constitute our social happiness.’—*Origin, Science, and End of Moral Truth*. It is to this principle we appeal when we declare ‘the right’ to be whatever is most for the welfare of mankind. It is this principle which alone impresses us with the conviction that there is a right and a wrong, and which, enlightened by knowledge and the most extensive experience, determines by the aid of reason our moral obligations.

yet it must occasionally happen that two or more individuals will feel a *desire* to occupy the same place, or satisfy their appetites with the same morsel of food. In all such cases one individual *must* give way to the other. And what is to determine who is to give way?—but one, it is evident, of two things. Either the *force* of the stronger individual, or some *rule of right* voluntarily acknowledged by him, or enforced upon his observance by a still stronger party.

It is probable, as has been said, that some simple principles of natural right are instinctively acknowledged by all sound and unwarped minds. But they are, of course, liable to be frequently clouded by prejudice and overborne by opposing passions. A man may feel a consciousness of doing wrong in ill-treating or destroying a fellow-creature, or in forcibly taking from him the fruits of his labour; and yet passion, or the desire of selfish indulgence, will occasionally overcome this tendency to the right, and impel him to the commission of wrong. The right, therefore, will but seldom prevail, and wrong must continually be perpetrated by the strong against the weak, unless the right obtain some other support and sanction than the mere instinctive sense of propriety in the breasts of individuals. Now such a supporting influence will naturally arise for the right in the general *opinion* of the society, backed, as it will usually be, when necessary, by its combined *power*.

Though the passions of an individual, or his desire for immediate gratification, may overcome *his* instinctive sense of right in a question con-

cerning his own conduct, the by-standers, being comparatively uninfluenced by passion or selfishness, will probably see the question in its just light. Or putting aside all notion of a *moral* sense, whose existence is yet a matter of dispute, it is evident that the majority of the members of a society must always feel it to be against their interest that the strong and crafty should do what they please with the persons or acquisitions of the weaker and incautious. Scarcely any individual can feel secure or happy for a moment, so long as he holds his life, and whatever he may possess, only on the frail chance of no one stronger or more cunning than himself being desirous to terminate his existence or appropriate his possessions. The great body of every society must, therefore, see almost instinctively (for the boundaries of instinct and reason are not easily definable) the necessity of discountenancing the commission of such wrongs, and of giving their approval to some *rule of right* as a substitute for mere strength or cunning in the determination of questions where the wills of two or more individuals clash.*

* ' If self-love, if benevolence be natural to man, if reason and forethought be also natural, then may the epithet be applied to justice, order, fidelity, property, society. Men's inclinations, their necessities, lead them to combine; their understanding and experience tell them that this combination is impossible where each governs himself by no rule, and pays no regard to the possessions of others; and from these passions and affections conjoined, as soon as we perceive like passions and affections in others, the sentiment of justice, throughout all ages, has infallibly and certainly had place, to some degree or other, in every individual of the human species. In so sagacious an animal,

But, moreover, it must soon be perceived that the mere force of public opinion, however strongly it operates upon one of the leading instincts of man's disposition, the appetency for the approbation and sympathy of his fellows, is not, in extreme cases, sufficiently powerful to prevent the commission of wrongs, and ensure the observance of the acknowledged rule of moral right. The society will, therefore, be led in its collective capacity, in addition to the sanction of its approbation and the threat of its disapproval, to *enforce* the observance of the rule they have laid down, by the weight of their combined power, and the exaction of penalties from offenders.

The rules according to which a society confers its approbation or disapprobation on particular actions constitute their notions of *moral* right and wrong; and these, being spread by precept, and confirmed by mutual communication, compose what is called *public opinion*. The rules laid down for the determination of cases in which the society interferes compulsorily, or by penalty, constitute the *law*, or established code of *legal* right and wrong.

The interference of the latter is necessarily confined to cases of a definite and determinate character, and cannot be extended to a vast variety of complicated and delicate relations in which individuals are often placed towards each other, and in which their conduct must be left more or

what necessarily arises from the exertion of his intellectual faculties may justly be esteemed natural.'—*Hume; Inquiry concerning the Principles of Morals. Appendix 3.*

less to their discretion, influenced only by the power of public opinion over them, their own sense of moral propriety, and the habit which almost all individuals will naturally have acquired of thinking and acting in conformity with the recognized code of moral fitness.

Since, however, there can be, at one time and in one society, but one course or system of conduct most conducive to the general welfare, and, therefore, *right*, both the *moral* and *legal* rules ought, so far as the least comprehensive of the two extends, to coincide, and, in all cases, to harmonize with each other. They ought, at the same time, to correspond with the principles of abstract or natural justice, the only criterion of their correctness. That they do not always so agree in the greater number of societies, savage or civilized,—perhaps wholly in none,—is more a matter of lamentation than of wonder to those who are acquainted with the mode in which they are practically constructed and taught, and the conflicting passions and interests which are continually at work to bias and pervert them.

Every established rule, legal or moral, is an expression of that course of conduct which society claims of each individual; who, in return for his obedience to it, acquires on his side a claim to have the observance of the same system of rules enforced where he is concerned upon every other individual by the society. His claim on society is called his *right*, the claim of society on him, to respect the rights of others, his *duty*. The rights and duties of each individual are thus cor-

relative, or mutually dependent on each other, and prescribed by the same rules.*

Natural or moral right being whatever conduces most to the welfare of mankind, the rights of man in the aggregate are entirely identified with his interests. Those of each individual coincide with his interest only so far as it does not interfere with that of the species or community of which he forms an unit. Fortunately,—or rather by the contrivance of a beneficent Creator,—the human mind is so constituted that the pursuit of virtue, the conferring happiness on others, and the acquisition of the esteem of society which is sure to follow such a course of conduct, form the most copious and inexhaustible sources of pleasure; so that the true interest of the individual is, in almost every case, identified with that of his kind. The exceptions are comparatively rare; and in their instance, we are taught by religion to

* The theory which derives rights exclusively from a 'social contract entered into by all parties concerned,' though more than once exploded, has been revived in the present day. Such a contract is avowedly a fiction; for when or where did the members of any existing society enter into any compact of the kind? The submission of a society cannot be taken as proof of agreement. We are obliged to submit to many things against our consent. Submission does not even imply the consent of the majority, for a small minority will often overawe and control a body vastly superior to them in number. Even were it physically possible for all the members of a society to deliberate and agree upon the institutions under which they are to live, such agreement would be no proof of the *justice* or *rightfulness* of these institutions. The passions, the prejudices, and the ignorance of the multitude, or the influence of a few crafty leaders, might induce them to agree to laws of the most injurious tendency, and so to sacrifice their just rights.

believe that a compensation is reserved in another state of existence for such as voluntarily sacrifice their own immediate interests to those of their fellow-creatures*.

* There exists a peculiar school of writers on morals, politics, and jurisprudence, whose leading tenet is that every action of man has necessarily a selfish motive, and that all which is wanting to produce perfect and universal morality, is for each individual to be taught what they declare to be unexceptionably true: viz., that his interest is uniformly identical with that of his kind, and, consequently, that he will be most certain to secure his own greatest happiness, by following the rules which lead to the greatest happiness of his kind.

It is strange that the many fallacies latent in this the doctrine of the 'Utilitarians' should be overlooked by reasoners, who especially pride themselves on their skill in detecting the fallacies of others. Their error is threefold at least:

1. If, in saying that man acts uniformly from *selfish* motives, they only mean that every action supposes a *propensity* on the part of the agent, and a *preference* of that over every other course of conduct,—their proposition is identical, and amounts to this,—man's actions are always the result of his volition; which is no discovery. But if they use the term selfish in its ordinary sense, so as to imply that the only motive of which individuals are conscious, is a desire of self-gratification apart from any consideration of the feelings of others, then the proposition is obviously false. The truth is, they use the term in the first sense, when they lay down their axiom; and in the second, when they employ it in argument.

2. It is not true that each individual is certain on every occasion to secure his own greatest happiness, in this world at least, (and surely the sect in question intend no reference to the next,) by acting in conformity with the rule of moral right. Cases undoubtedly occur in which the interests of individuals are positively opposed to that of society. To take an extreme example, it is for the evident good of society that a convicted and confirmed criminal

PRIMARY NATURAL RIGHTS.

CHAPTER II.

Primary Natural Rights—1. To Personal Freedom—2. To the Common Bounty of Heaven—3. To Property—4. To Good Government.

MAN's natural rights may, perhaps, be usefully classed under four simple and primary heads:

should be hanged. But it is as clearly his interest to escape such a fate, if he possibly can.

3. But the greatest fallacy of all is, that the doctrine in question assumes every individual to be capable of perceiving, even at the very commencement of his course of moral education, (that is, while yet an infant,) and with infallible accuracy, the real ultimate tendency of all actions to benefit or injure mankind, and to be influenced accordingly to embrace or abstain from them. For without such supernatural penetration, how is he to be operated on by a sense of their moral or immoral character? 'He is to be taught,' the Utilitarians would say, 'that such and such actions are moral, and *therefore* conducive to his happiness.' But if he is taught at the same time that the production of pleasure to himself is the only reason why he should prefer the moral to the immoral course, he will answer, and not without reason, that he is a better judge than you of what pleases him—he will disbelieve what you tell him, but cannot prove to him, of ultimate tendencies—he will be actuated only by those immediate contingencies that he is capable of perceiving; and those which require a difficult process of reasoning, and a long course of experience and observation to develope, will be to him as if they had no existence. Even if it were true, therefore, (which we have shown it is not,) that the ultimate interests of every individual are always identified with those of society, a system of morals founded on a cultivation of the selfish principle would be dangerously destructive of

1. The right to personal freedom; 2. The right to the common bounty of Heaven; 3. The right to property; 4. The right to good government.

I. Of the Natural Right to Personal Freedom.

The first and most important of the natural rights of mankind is that to *personal freedom*;

all morality. There would be much risk that every one would take his own propensities as the measure of his own moral code.

All persons acknowledge that, in the great majority of instances, the interests of individuals and of the mass are the same; and, therefore, those who teach morality are right in urging, in addition to all other sanctions, that its habitual observance by all individuals would be to the infinite advantage of each. But to put forward self-interest as the sole fit and proper motive for individual action, to the exclusion of the desire of gratifying others, of the wish for human or divine approbation, and of the hopes and fears of future reward or punishment, here or hereafter,—seems to me about as likely a scheme for securing the general observance of morality, as it would be for collecting the public revenue to allow every one to drop his portion of the taxes secretly into a box, freed from all other motive for contributing his due share, than his sense of a common interest in the full payment of the revenue. How many would pay their taxes in full upon the strength of the conviction that it is for the interest of each that all should pay? How many would keep their money in their pockets, and trust to others for the replenishing of the Exchequer? Suppose the defaulters to be only one in a hundred—by what process of reasoning is this one to be persuaded that it is not *his* interest to save his money, and be protected in his person and property at the expense of his neighbours? The old saw, ‘What is everybody’s interest is nobody’s interest,’ ought alone to have convinced the Utilitarians of the fallacy of their leading principle. It is curious that the same publication which habitually puts forward this doctrine, often unconsciously refutes itself in the most direct manner.—See *Westminster Review*, xxxiv. p. 422.

which is *the right of every man to do whatever does not injure others more than it benefits himself*; in other words, whatever is not inconsistent with the general welfare, of which his own forms an integral part.

This right follows directly from the definition of natural justice; since it evidently tends to augment the general happiness that every one should please himself whenever he can do so without taking from others more than he gains himself.

Nor is there any other natural liberty than this. Absolute freedom of action can only be attained by complete isolation from the rest of the species—a state unnatural to man. In order to reap the advantages of social existence, he must renounce a portion of his free will, and submit to such restraints as are necessary for the common good. Slavery itself is a wrong, utterly opposed to the principles of natural justice; not because it is an interference with the abstract freedom of man, but because it is such an interference as cannot be compensated by any benefit accruing to his master or others,—because the evil resulting from it to mankind at large infinitely exceeds all the possible gain.

The determination of the specific acts which are or are not permissible to a free member of society, is the province of the codes of law and morality, to which we have already adverted. A just code of law and morals will restrain the free action of each individual only so far as is clearly necessary for the benefit of the whole, and will therefore rob no one of the full extent of his natural right to personal freedom.

II. *Of the Natural Right to the Bounties of Creation.*

The second great natural right, coequal perhaps with that of personal freedom, is *the equal right of all mankind to the common bounties of the Creator.*

Man is placed by his Maker on a world whose surface abounds with a variety of spontaneous natural productions, many of them more or less useful and desirable to him, and evidently intended for his use. It is perfectly clear that all men being equal in the sight of their Creator, no one can have any greater natural right to any of these gifts than another. Therefore, the earth, the air, the waters, and all their produce, must be common property; of which each individual has a right to make such use as shall not prejudice the rest of mankind in a greater degree than it benefits himself. And this right rests upon the same principle to which we have referred every other. Whatever limitation, therefore, is established to the right of man to use or consume any natural productions, can be justified (or shown to be conformable to natural justice) only by proof that such limitation is necessary for the general welfare.

And this brings us to the third great natural right—*the right to property*,—which constitutes in itself the principal limitation here spoken of.

III. *Of the Natural Right to Property.*

In the same way as it is clearly perceivable by reason that the right of individuals to personal freedom of action must be limited by regard for

the general good, so is it with respect to their right to the use of the desirable productions of nature. Without such limitation practically enforced, there must arise perpetual strife between individuals anxious to use the same thing, the same fruit or wild animal, for instance; and the will of the stronger prevailing, the equal rights of the weaker party would be overthrown. The continual recurrence of such contests must be completely destructive of the general happiness; and, therefore, the adoption of some rule is absolutely necessary for limiting and determining the right of individuals to the *sole* use or consumption of natural products: in other words, to an exclusive *property* in them. One simple rule of this sort appears to have been universally adopted by every fraction of the human family, in every quarter of the globe, and from the first traces we possess of their history. And it is this; that what a man obtains from nature *by his own exertions* becomes *his property*. No tribes, even of naked and wandering savages, have yet, we believe, been discovered in which the right of private property in the things each had appropriated by his labour, was not recognized. ‘Barbarians have been met with, who had no ideas of religion or of God, or only such as were fashioned upon their own wretched existence and untamed passions; but even of their community each member was as sensible that the stone hatchet he had made, the canoe he had hollowed out with it, or the bow for which he had exchanged a hatchet of his own making, was *his*, as are the members of the most law-regulated community, that they have a right

to enjoy what the law confirms in the possession of each person*.' The ideas of *meum* and *tuum*, founded on the natural law of appropriation by labour, are as old as the union of any two or three human beings in society.

It is true that there have been, and yet are, many infractions of this rule. Brute force or cunning has frequently prevailed over this as over other rights; sometimes contenting themselves with abstracting a portion of the produce of labour, sometimes taking possession of the labourer himself, and compelling his exertions by the dread of personal torture. But even in this extreme state of degradation, a sentiment of their outraged rights seems rarely to have been extinguished among the slaves themselves; nor could one slave take from another what he had created or appropriated by his exertions, without committing an acknowledged injustice.

The right in the labourer to the produce of his toil, so universally acknowledged, may well be supposed an intuitive perception common to all sound minds, like the right to freedom of person and action, of which it is a natural corollary. And this is the opinion of Mr. Locke, as given in his view of the origin and foundation of a right to property. 'Every man,' he says, 'has a property in his own person, that nobody has any right to but himself. The labour of his body, and the work of his hands, are his property. Whatsoever, then, he removes out of the state that nature hath left it in, he hath mixed his labour with it, and joined

* The Natural and Artificial Right of Property contrasted, p. 37.

something that is his own, and thereby makes it his property. It being by him removed from the common state nature has placed it in, it hath by this labour something annexed to it that excludes the common right of other men. For the labour being the unquestionable property of the labourer, no man but he can have a right to what that is joined to—at least, where there is enough, and as good, left in common for others*.' 'And amongst those who are accounted the civilized part of mankind, who have made and multiplied laws to determine property, this original law of nature for the beginning of property in what before was common, still takes place; and by virtue thereof, what fish any one catches in the ocean—that great and still remaining common of mankind—or what ambergris any one takes up on its coasts, is, by the labour that removes it out of the common state nature has left it in, made his property who takes that pains about it.'

In this view, the right to property acquired by labour is derived from the right to personal freedom, which itself rests on the evident intention of the Creator. But if this were disputed, none at least can dispute that it is immediately and immoveably based on the true foundation of all right, expediency for the general welfare. If not an intuitive perception, its justice and necessity must have been suggested by the very earliest lessons of experience. It must have been recognized from the first, in every society, to be for the common advantage that such a rule should be laid down and adhered to, taught by the sages, sanc-

* Of Civil Government, book ii. chap. v. sec. 28.

tioned by public opinion, and, if need were, enforced by the common strength—in order to prevent the unhappiness which continual conflicts for the possession of the produce of each other's labour must otherwise unavoidably occasion to all. It could not but have been felt that the absence of such a rule would go far to check all productive labour whatever, and reduce mankind to live, as the phrase is, from hand to mouth, in a state of endless strife, snatching for their daily sustenance whatever was within their reach ; fighting among each other for the chance-got fragments of their repasts ; and exposed, like the beasts of prey—to which, in this condition, they would bear the closest analogy—to frequent famine from the failure of food. Therefore it is that, even where force or fraud has triumphed over the principles of natural justice, and the weak have been compelled, against their will, to labour for the strong—there has yet been an understanding on all sides, and a general sense of the necessity, that the masters should at least protect the properties as well as the persons of their slaves from the attacks of each other. Tyrants even have seen the protection of property to be for their interest, as an essential condition to the productiveness of their subjects ; and their sway, though founded on usurpation, has been usually submitted to more or less willingly by the patient multitude, so long as they observed a decent show of respect for the rights of property founded on industrious acquisition.

The details of the right of property it is for the law of each society to determine, and for its moral code to sanction. We do not here mean

to advert to any of the branches of this great subject. It is sufficient to state that, to be consonant to natural justice, these definitions must, in all their details, tend to the promotion of the general good.

IV. *Of the Natural Right to Good Government.*

Another important right is, *the Right to Good Government*, as the only security for the enjoyment of any right whatever.

It has been shown that every society requires laws to be laid down and enforced for prescribing the boundaries of personal freedom and individual appropriation. The power which lays down and enforces these laws is called the governing power, or *Government*, of the society.

Much has been written, and much spoken of late, on the political rights of individuals; and especially has the right been loudly and frequently asserted of every individual to *self-government*: that is, to an equal share in the governing power. We can recognize no abstract right of any kind, but such as may flow from the one great principle of expediency for the general welfare of mankind. That, on this principle, government of some kind is indispensable to every society is easily proved, if it have not been sufficiently proved already.

If men were beings of angelic dispositions and perfect wisdom, so that they could act no otherwise than in exact accordance with natural justice, no government would be necessary, either to frame rules of conduct, or to constrain their observance; and

we might save all their trouble and cost. But we are fallible creatures, and, moreover, when aware of the right, are often led, by passion or caprice, to take the wrong path. There can be, therefore, no security to individuals for the enjoyment of any of their rights, no chance of maintaining the order and tranquillity essential to the general welfare, but through the compulsory interference of the collective power of society in controlling the actions of those who would otherwise infringe the rights of others and disturb the general happiness. Laws, as we have seen, are necessary for this purpose—defining the rights of individuals; and authority must be placed *somewhere* to frame, to interpret, and to enforce obedience to these laws.

For since the circumstances of societies are undergoing continual alteration, their laws will need corresponding changes, to adapt them to the new relations of individuals to each other and to the external world. But such alterations must require the exercise of profound sagacity, extensive experience, and mature deliberation; which cannot be obtained in general assemblies of the entire body of any society. The task, therefore, of framing the laws for the regulation of a society *must* be entrusted to a select body of limited number. In the same manner it is evident that the collective *power* of a society cannot be usefully employed in a mass on every occasion which may require the enforcement of its laws. A similar selection, therefore, must take place, of some party in whose hands authority must be lodged, to employ any portion of this power which may be necessary for the purpose.

In other words, both the legislative and executive functions of social government, to be effectual, must be entrusted to a limited number of persons.

Now, were it demonstrable beyond the possibility of dispute, that the permanent interests of a community (the only end and object of any government, and the measure of the rights of the individuals composing it) would be always best promoted by conferring the absolute power of making and executing laws on a single individual, *autocracy* would be the form of government most accordant with the natural rights of man. If, on the contrary, it could be plainly proved that the welfare of a community required every individual, man, woman, and child, (the only true *universal* suffrage)—or every adult individual of both sexes—or every adult male—or only a certain number and class of adult males—or any other select body whatsoever—to be entrusted with the legislative or executive power, or with the choice of the persons to whom that power is to be delegated—then, in any of these several cases, that form of government would be the one most accordant with natural right. In short, the right of every individual in this matter is *not to self-government*, but to *good government*—to that form of government which is most highly conducive to the general welfare—a right to have his happiness consulted, and his rights protected, by the authorities entrusted with power, in the same degree with those of every other person in the community. That this is really what has been understood, though perhaps confusedly, by even the most extravagant theorists on the principle of self-government, is

shown by their stopping far short of *universal* suffrage. None of them think of giving a vote to children, madmen, or criminals ; few have even proposed its extension to females ; yet, if the right is anything inherent in the species, it must belong equally to every individual from the moment of his birth, and can only quit him with his life. If they defend their limitation of the suffrage, as without doubt they would, by asserting the incapacity of women, children, lunatics, &c. and that the interests of all, including these classes, would be better secured by the suffrage being exclusively entrusted to the adult males, the question is then confessedly but one of *degree*—between one kind of limitation and another—and to be argued upon the same principle, and with reference to no other abstract right than that we speak of ; namely, to *good*, or rather, to the *best government*. And if we assume, what few in this country will think of disputing, that representative institutions, in some shape or other, are indispensable to good government, the question will be simply what limitation or extension of the electoral franchise, and what checks upon its exercise, may be reasonably expected to provide the best form of government, and secure the greatest sum of general happiness.

It is not, of course, our object here to enter upon this question. All we wish to do is, to place the subject of political rights in a clear light, and on its proper footing ; and to show the grounds on which all parties are bound in reason to argue it. The solution of the problem in any individual instance will necessarily vary much, according to

local and temporary circumstances. The extent of suffrage which would be most for the benefit of a highly intelligent and generally educated community must be prejudicial to a people in which the vast majority are yet wrapped in almost brutal ignorance. The same form of government which is suited to England in the present day would clearly not be equally advisable for Spain—perhaps even not for Ireland.

What has been said may also help to remove the prevailing fallacy of supposing the elective franchise, under a representative form of government, to be of the nature of a right personal to the voter. When individuals are selected to exercise any power in a state, the legitimate object of such selection being solely the promotion of the general happiness, not the exhibition of any peculiar favour or advantage to the individuals themselves, it follows that this power, whatever its nature, whether regal, senatorial, or electoral, can only be looked upon in the light of a sacred *duty* imposed upon the individual, to be exercised strictly and conscientiously for the benefit of the people at large, and not for any purpose of private or local interest. It follows as a necessary corollary, that no one can have a property, or a private interest, vested in any public trust or office; or any just ground of complaint if it is taken away from him at any time for purposes of public benefit.

The political rights of man may, therefore, be defined as the claim of every individual to have his interest promoted and protected to the same extent as that of every other member of society by

the combined power of the whole body : in other words, it is a right to good government. Reciprocally, his duty to society is, to submit to, and co-operate when required in the just exercise of its power. The right is conditional on the fulfilment of the duty—the duty on the enjoyment of the right. The denial of the right absolves from the duty—the refusal of the duty nullifies the right. Tyranny justifies resistance from the individuals subjected to it. Crime justifies the infliction by society of punishment on the individuals guilty of it.

Government has been called a necessary evil. Expensive, unjust, and tyrannical governments are evils unquestionably of the most severe kind, since they entail a train of unnecessary sufferings on those who are subjected to them ; but a good government is simply the establishment and maintenance of a rule of order and justice for securing the general welfare ; which can hardly be called an evil : at least if any evils accompany it, they are compensated by an infinitely preponderating balance of good.

The right, therefore, to good government, which we have placed last in the order of man's natural rights, comprehends, in truth, all the rest. It is only through the means of good government, that individuals can enjoy their rights to personal freedom, to the common bounty of Heaven, or to the property which their toil has produced them ; and it is solely in order to secure to individuals the enjoyment of these their natural rights, that government is instituted.

I have declined, as foreign to the purpose of this work, to enter into the question of the best

form of government, either abstractedly, or with reference to any particular age and country. Such an inquiry, indeed, it is at once apparent, cannot properly be instituted until a complete knowledge has been obtained of the *duties* of a government, and the means by which it can best fulfil them. Without a clear understanding of the nature of these duties, any question as to the form of government most likely to secure their effective fulfilment would be palpably premature.

CHAPTER III.

Duty of a Government, the securing to Individuals the full Enjoyment of their Rights—Means for this end within its influence—1. Moral and Religious Education—2 Security from Personal Injury—3. The abundant Production and general Distribution of Physical Enjoyments—The latter alone the object of Political Economy, and of this work.

THE chief object for which government is instituted, and consequently its principal duty, is, as has been said, to secure to all the individuals over which it presides the full enjoyment of their natural rights; in other words, as the great object of those rights, to guarantee to each the greatest attainable amount of happiness consistent with the general welfare.

To fulfil this its duty, the members of a government should not only possess a pure and single-minded desire to accomplish their task, but likewise a thorough knowledge of the principles of natural right, and of the circumstances which determine the happiness of individuals and the general welfare of societies. And not only they, but every one who criticises the conduct of a government, and passes an opinion upon any law, institution, or rule of society, should be equally informed on these points; or, in the absence of such information, his decisions can be but mere guesses, as devoid of reasonable foundation as those which

a blind man may form upon a question of colours, or a deaf person upon one relating to music.

And yet it is to be feared there are few out of the numbers who, in this and other countries, habitually discuss and criticise the proceedings of legislatures and the character of laws,—few, indeed, even of those who are occupied, or seek to occupy themselves, as members of the legislature or executive, in making, altering, and enforcing laws, who possess any clear or correct apprehension of even the first principles of natural right, of the primary circumstances on which the general welfare depends, or the means essential to be taken for its promotion. Even in this country, the most advanced perhaps of any in such studies, what is the fact?—A few vague general notions caught up during a hasty perusal of Paley or Blackstone; a host of prejudices carefully implanted at school and college by teachers interested in maintaining the abuses of existing institutions; mistaken but deeply-rooted impressions upon private interests; party attachments, and personal caprices; these compose the stock of opinions and motives on which too many a legislator commences and carries on his business. Even the very best disposed and best qualified have, it is to be feared, but a slight acquaintance with the fundamental principles of social happiness; as is too often proved by the shallowness of their reasonings, and their constant shrinking from any recurrence to first principles. And yet nothing is more certain than that all legislation or action of government which does not proceed upon a just knowledge of the true interests of

man in society, can be but a journey in the dark, through an unknown country, without guide or compass ; wherein the right road may by mere accident be blundered on, but in which the chances are greatly in favour of error and consequent misfortune.

The conventional avoidance by our modern legislators of all reference to first principles argues not merely an ignorance of them, but some vague fear that the actual institutions of society would be endangered by their acknowledgment.* But this dread is happily as unfounded as it is unwise. If, indeed, the mass of

* ‘ Pleased as we are with the possession of property, we seem afraid to look back to the means by which it was acquired, as if fearful of some defect in our title. Or, at best, we rest satisfied with the decision of the laws in our favour, without examining the reason or authority on which those laws have been built. We think it enough that our title is derived by the grant of the former proprietor, by descent from our ancestors, or by the last will and testament of the dying owner ; not caring to reflect that (accurately and strictly speaking) there is no foundation in nature or in natural law, why a set of words upon parchment should convey the dominion of land ; why the son should have a right to exclude his fellow-creatures from a determinate spot of ground because his father had done so before him ; or why the occupier of a particular field or of a jewel, when lying on his deathbed and unable to retain possession, should be entitled to tell the rest of the world which of them should enjoy it after him. These inquiries, it must be owned, would be useless and even troublesome in common life. It is well if the mass of mankind will obey the laws when made, without scrutinizing too nicely into the reasons for making them. But when law is to be considered not only as a matter of practice, but also as a rational science, it cannot be improper or useless to examine more deeply the rudiments and grounds of these positive constitutions of society.’—*Blackstone’s Commentaries*, II. c. i. p. 2.

the institutions of any state *were* opposed to the first principles of justice, it would surely be far better to examine and ascertain the extent of their discordance, with a view to its correction, than to endeavour to conceal or shut our eyes to their defects. It is, however, quite wrong to imagine that the great institutional landmarks of this country are opposed to the principles of natural justice, or that they would not be confirmed and strengthened in public opinion—the firmest bulwark for any institutions—by a reference to these principles, and the most open, full, and general discussion upon their accordance or disagreement. The danger in an inquiring age like the present, when institutions have ceased to be respected because they are established, and venerated because they are ancient,—when the people have begun to think and to reason on such subjects, and are no longer contented with what is, without satisfying themselves whether it ought to be,—the danger lies in the general ignorance of the public as to the true principles of public welfare, and in the general suspicion that the discordance of existing institutions from these principles is far greater than it really is,—a suspicion which is generated by the unwillingness of legislators to refer their conduct to first principles, and nourished by those who are ready at all times to imbue the multitude with opinions which may dispose them for violence and plunder.

The chief object of this work, now that the ground has been cleared by the determination of the simple principles of natural justice, will be to examine the circumstances within the influence of a government upon which depends the general

welfare of communities; and to compare with them the legislative policy of this country, in order to ascertain how far and in what particulars they agree or disagree.

This inquiry will, I think, show that the great body of the present owners of property have no reason to dread the discussion of such questions; for that their real interests are not opposed to, but, on the contrary, are identified with those of society at large; and that they may, therefore, safely, and without apprehension, meet their adversaries on the fair field of argument, and rest their cause on the firm foundation of the first principles of natural justice.

The circumstances which determine the well-being of a society, and are, more or less, within the control of its government, may, it is considered, be classed under three great heads, viz.—

1. The moral and religious disposition of its members.
2. The degree in which they are individually secured from personal injuries.
3. The degree in which they are individually supplied with the necessaries, comforts, and physical enjoyments of life.

1. With respect to the moral and religious disposition of the members of a society.—It can scarcely be doubted that man is, by the constitution of his nature, disposed as well to love, to sympathize with, and to benefit his fellow-creatures, as to venerate the great Being to whom he ascribes the creation of the universe with all that is therein. This innate tendency to virtue and

piety may, however, on the one hand, be checked, or even utterly destroyed ; on the other, fostered, encouraged, and developed, by the favourable or unfavourable circumstances which surround the individual from his earliest years,—in one word, by his *education*. Now it is unquestionable that the direction of these circumstances, or the education of the mass of any people, is within the power,—and few can doubt that it therefore forms one of the foremost of the duties,—of their government ; and this not only with the view of inculcating a moral and religious disposition amongst them, but likewise of eradicating, so far as is possible, the root of all evil—ignorance, and widely disseminating the seed of all good—knowledge.

I have no intention, however, of going into a discussion of the mode and degree in which the great business of general education should be undertaken or superintended by a government. I shall content myself with remarking, as bearing upon our immediate subject, that, of the circumstances which *indirectly* influence the moral and religious character of a nation, none are more important than its *economical* condition, or the degree in which its members are enabled to command the necessaries, comforts, and enjoyments of life. A state of general misery is alike unfavourable to the development of the social virtues and the cultivation of national religion. In no quarter of the globe do we see vice so confirmed, crime so abundant, religion so grievously polluted by impiety and superstition, as in those countries where the physical wants of the people are most

meanly supplied ; where poverty, and its attendant, recklessness, exasperate the evil passions of our nature, and smother the germs of every generous and noble sentiment.

2. I shall pass over with equal brevity the consideration of the means possessed by a government for securing the members of the community it is placed over from *personal injury*. This is notoriously one of the first duties of every government, and is to be effected by laws expressly enacted for the *protection* of the persons of individuals, both from domestic and foreign aggression. That the laws enacted for this purpose in most countries are as yet far removed from perfection, is a matter now of general acknowledgment ; but it would be foreign from our present purpose to enter upon the examination of their defects, or the means of improving them. I proceed, therefore, to the third class of circumstances within the influence of a government, by which the happiness of every community is determined, namely—

3. *The degree in which its members are individually supplied with the necessities, comforts, and physical enjoyments of life.* To promote to the utmost this supply, is, or ought to be, the one great object of all laws and institutions, civil or criminal, which relate to *property* in any of its shapes,—which laws compose, indeed, the great mass of legislation in every state.

It is therefore evidently *most essential* that the members of every government and legislature,—and, under representative institutions, even the persons by whom these trustees of the general interests are chosen,—should possess as general and

correct a knowledge as possible of *the means for securing the greatest abundance and most liberal distribution of the physical enjoyments of life among the members of a society.*

Now this important knowledge it is the business of Political Economy to convey.

Much obloquy has of late been thrown upon the science which assumes this name, and upon its cultivators,—obloquy not perhaps wholly unmerited on the part of some of their number, who from generalizing hastily upon insufficient facts, have arrived at conclusions so opposed to the common sense and experience of practical men, that the latter have been led to look upon the propounders of these theories as Laputan philosophers, and on the science as a mere bundle of mischievous paradoxes. The ridicule which some of these hyper-economists have justly incurred,—in some instances converted into indignation by the dogmatism with which the most mischievous fallacies were put forward and obstinately maintained by them,—has been unhappily shared by the science which they professed to explain, but which, in fact, they only obscured and mystified. So prevalent are these impressions, that it has at times been doubted whether it would not be advisable to discard altogether the title of Political Economy, and pursue our inquiries into this important subject under some new and less obnoxious name. But such a change would be the cause, probably, of much confusion. The candour and enlightened spirit of the age must be trusted to for dispelling this unjust prejudice. The time is arrived when

the value of the true *philosophy of wealth* must be recognised, and its claims to general attention made manifest, in spite of the temporary discredit it has suffered through the blunders and self-sufficiency of some pretenders to its exclusive interpretation. The science of medicine is not the less esteemed because occasionally disgraced by the St. John Longs and Van Butchells. Mankind is not the less indebted to chemistry because its early history was stained by the knavery and nonsense of the alchemists. Astronomy is not despised because its grand truths have been, in former ages, debased by the jugglery of fortune-telling and judicial astrology. Neither will Political Economy, the science which teaches how to advance to the utmost possible extent the production and general diffusion of the means of enjoyment, and so improve, as far as is practicable, the physical condition of every member of society, be deprived of the consideration which its paramount importance to mankind deserves, because empiricism may have momentarily flourished, and mischievous errors been propagated, under its name. On the contrary, it becomes, on this very account, the more necessary for all who wish to arrive at a knowledge of the truth on this important subject, and have an interest in its dissemination, (as who has not?) to apply themselves to its study. Error must, in such a matter, be more than commonly pernicious; and the more errors of the kind we believe to have been propagated, the more incumbent it is on all who have the requisite leisure to examine

and sift the subject to the utmost, with the view of purifying it from its mischievous fallacies, and establishing its useful truths.

Nor are errors on this subject by any means confined to those who have pursued its study in their closets. On the contrary, the most pernicious fallacies and absurd paradoxes have been, and still are, generally current among those who pride themselves on being 'practical' men, and on despising theory. There are, indeed, few rasher theorists than those who habitually declaim against theory. The notions, for example, that a country is enriched by what is called a favourable balance of trade causing an influx of the precious metals; that the expenditure of taxes in employing the people compensates them for the burthen of taxation; that improvements in machinery are injurious to the labouring class; that one individual, or one country, can only gain at the expense of another; that the outlay of an absentee's income abroad, or the introduction for sale in this country of an article of foreign manufacture, abstracts an equal amount of employment from our native industry;—these, and many others that might be mentioned, are *theoretical* doctrines of the falsest and most injurious character, taken up by numerous persons on what they consider the authority of 'common sense,' but which, in truth, is merely crude induction from a very limited and imperfect experience. No governments can, indeed, act, or individuals form a judgment upon their action, except upon *theories* of some kind, true or false, with respect to questions within the province of Political Economy; and it would be quite contrary to general analogy to suppose that truth

is not to be ascertained on this, as on other subjects, by careful and judicious inquiry; or that random conjecture and blind impulse are to be preferred in this, any more than in other matters, to rules deduced from extensive and systematic investigation. In the economy of states, just as in the management of human bodies, diseases have occasionally been brought on or heightened, as well by false theory as by ignorant guess-work; but no one will dispute that it is to the sedulous prosecution of scientific inquiry that we can alone look for correct views and safe or beneficial treatment.

Neither should any one be deterred from this study by a notion of its inherent difficulty or dryness. True it is that crabbed and tiresome works have been written upon it; and many who have looked into them may have laid down the books in disgust at their dulness, or despair of being able to comprehend their reasoning. There is, however, good ground for suspecting that these abstruse writers were themselves as much lost in the maze of their arguments as their readers. Truth, on this as on other subjects relating to the daily business of mankind, is simple in itself, and may be made clear and intelligible to all ordinary capacities. And as to its presumed want of interest, surely an examination of the means for placing the greatest possible abundance of the comforts and luxuries of life at the command of every member of the community, must come home to the bosoms and business of all men; and, if properly treated, afford a matter of pleasing as well as useful speculation.

‘Such inquiries, in truth,’ as has been observed by one of the most elegant writers on this subject,

if not the least erring, 'cannot fail to excite the deepest interest in every ingenuous mind. The laws by which the motions of the celestial bodies are regulated, and over which man cannot exercise the slightest influence, are yet universally allowed to be noble and rational objects of study; but the laws which regulate the movements of human society,—which cause one people to advance in opulence and refinement at the same time that another is sinking into the abyss of poverty and barbarism,—have an infinitely stronger claim upon our attention, both because they relate to objects which exercise a direct influence over human happiness, and because their effects may be, and, in fact, are, continually modified by human interference. National prosperity does not depend nearly so much on advantageous situation, salubrity of climate, or fertility of soil, as on the adoption of measures fitted to excite the inventive powers of genius, and to give perseverance and activity to industry. The establishment of a wise system of public economy can compensate for every other deficiency. It can render regions naturally inhospitable, barren, and unproductive, the comfortable abodes of an elegant and refined, a crowded and wealthy, population. But where it is wanting, the best gifts of nature are of no value; and countries possessed of the greatest capacities of improvement, and abounding in all the materials necessary for the production of wealth, with difficulty furnish a miserable subsistence to hordes distinguished only by their ignorance, barbarism, and wretchedness *.'

* M'Culloch's Political Economy, Preface, p. 25.

PRINCIPLES OF POLITICAL ECONOMY DEDUCED FROM THE NATURAL LAWS OF SOCIAL WELFARE.

CHAPTER I.

Definition of the Science.—The Study of the Happiness of Societies so far as it depends on the Abundance and Distribution of their Wealth.—Its Principles capable only of moral, not mathematical proof.

POLITICAL Economy teaches the art of managing the resources of a society to the best advantage of its members. It does not, however, as has been already explained, embrace the moral and religious education, the political constitution, or the personal protection of a people, but concerns itself solely with the artificial means of enjoyment, composing the necessities, comforts, and luxuries of life—things which are the result of labour and the objects of exchange; and which, when accumulated to any considerable extent, are ordinarily spoken of as *wealth*.

Hence it has been usually designated as the study of ‘the nature and causes of the wealth of nations.’ This definition is, however, incomplete, and has perhaps led both to a false estimate of the objects of the science, and an erroneous method of pursuing it, by seeming to restrict inquiry to the means of increasing the *gross amount of national wealth*, without regard to its *diffusion*, or to the influence of different modes of production and distribution

on *national happiness*. Again, it has been called the science of 'the happiness of states;' but this would extend it over too wide a field. Its true subject of inquiry is, we think, the happiness of societies so far as it depends on the abundance and distribution of their wealth.

The principles of Political Economy must obviously be deduced from axioms relative to the conduct and feelings of mankind under particular circumstances, framed upon general and extensive observation. But neither the feelings nor the conduct of a being like man, endowed with mental volition, and infinitely-varying degrees of sensibility, can, with anything like truth, be assumed as uniform and constant under the same circumstances. Hence the highest degree of certainty which can belong to the principles of Political Economy will amount only to moral probability, and must fall far short of the accuracy that characterizes the laws of the physical sciences. This consideration should have prevented the attempts which have been made by many writers on Political Economy to attribute the force of mathematical demonstration to its conclusions. The fashion just now among this class of inquirers is to designate their favourite study as 'Political Mathematics;' but it would obviously be just as reasonable to give the name of 'Ethical Mathematics' to the sister science of morals. The rules of economical policy are to be ascertained only by studying the same variable course of human action, and with a reference to the same indefinite end—the happiness of the species—as the rules of morality. Far from partaking of the character

of an exact science, like the mathematics, which deals in the qualities of abstract and imaginary entities, it has not even the fixity of any of the natural sciences to whose study the mathematics are usually applied; the facts of which it takes cognizance consisting only of such variable, vague, and uncertain essences as compose human pains and pleasures, dislikes and preferences,—

‘ Hopes, fears, joys, sorrows, tears, and smiles.’

Still, though the nature of the subject precludes any approach to mathematical certainty, the general laws of human action and human happiness are to be ascertained with a correctness amply sufficient for the formation of general rules.— Though the conduct of any individual man cannot, with complete confidence, be predicted from a knowledge of the circumstances surrounding him, yet that of the generality of men—of the great masses of mankind—may be determined beforehand with all but absolute certainty; and the object of the political economist, like that of the moralist, being to act upon the masses, this knowledge is sufficient for his purpose, and will enable him to declare with confidence the combination of circumstances necessary to bring about any desired result within the range of his science.

CHAPTER II.

Definition of Wealth—and of Labour.—All Labour productive.—Labour rather a pleasure than a sacrifice—must, however, be free—and sufficiently remunerated.—Minimum of sufficient remuneration.—Wealth no certain measure of happiness.—Test proposed.

WEALTH, then, in its relation to happiness, is the subject of the investigations of Political Economy; and by wealth we profess to understand all the necessaries, comforts, and luxuries of life which are habitually bought and sold, or *exchanged*. If a brief definition of wealth were desired, it might be declared to comprehend all ‘the purchaseable means of human enjoyment.’

There are many things which contribute to the enjoyment of man,—such as air, water, the light and warmth of the sun, the beauties of nature, the blessings of health, and the exercise of the social affections,—which yet are never considered (unless metaphorically) as wealth. They are valuable in the common sense of the term; but they possess no value in exchange. They are not capable of being made the subject of purchase and sale, or of being guaranteed by the law as property: the economist, therefore, has no concern with them. The range of his inquiries is limited to such objects of human desire as are capable of appropriation by the law, and of transfer by sale or exchange. The regulation of those elements of happiness, physical or mental, over whose supply man exercises

no control, he leaves to Providence;—to the moralist, the divine, the physician, he leaves the study of those which fall within the sphere of their several influences. His peculiar object is to ascertain the means of augmenting the happiness of mankind, in as far as it is affected by the abundance or distribution of those more tangible and appreciable matters which compose the purchasable necessities, comforts, and luxuries of life *.

One of two circumstances is necessary to confer exchangeable value on an object, in addition to its useful or desirable qualities, viz.—that it require some labour to produce it, or that it exist in less quantity than is wanted,—in technical terms, that its supply be short of the demand for it. Water, however useful, nay, necessary, to man—however valuable in the ordinary meaning of the word—

* Mr. Malthus and other economists have much puzzled themselves and their disciples by raising a needless debate about some particular things, of which it is disputed whether they are to be considered wealth, and therefore within the range of Political Economy, or not. For example, the services of menials, and of artists and actors, &c. have caused much hot dispute. Mr. Malthus excludes them from the category of wealth, on the ground that they are *immaterial*. Inasmuch as they are habitually bought and sold, I should consider them comprehended in the definition of wealth given above. I can see no essential distinction between the services of a nobleman's outrider and those of the horse he rides: between the value conferred upon a piece of canvas by an artist, and that conferred upon a piece of cotton by a calico-printer: they are equally purchased in exchange for wealth; they are equally reckoned as the signs of wealth by the vulgar; they are equally enjoyed as wealth by their possessor. But, in truth, the attempt to refine upon the subject with such minute accuracy of definition is much more likely to lead to confusion than clearness.

yet, wherever it is to be had in abundance without trouble, as by the side of a river, has no exchangeable value: it *costs* nothing, and will, therefore, sell for nothing. But at a distance from springs or rivers, as in a town, where water is not to be obtained without some trouble, it acquires a value in exchange, and that value will depend chiefly upon the trouble or labour it costs to procure it. An additional element in value is scarcity, or an insufficient supply to meet the demand. In the deserts of Africa a skin of water may at times acquire a value infinitely exceeding the cost of conveying it there from the nearest well. A rare jewel, or book, or object of art, often obtains a value bearing no relation to the labour by which it was procured or produced. But the primary element of value in most things is *cost of procurement*; and the cost of procurement consists almost wholly of the trouble or *labour* necessary for procuring the article.

What, for example, gives their value to the fruits of the earth? Not their adaptation to the appetite of man. The finest fruits, if they grew spontaneously in such abundance over all the inhabited earth, that every one might satisfy his longings for them by the mere trouble of lifting his hand to them, would have no selling value. But inasmuch as fruits grow only in particular situations, and require much trouble in planting, protecting, gathering, and bringing them to market, they acquire a proportionate value,—since those who wish to obtain them must either take all the trouble necessary for procuring them, or give something in exchange for them which shall be considered a

satisfactory equivalent for all this trouble by those who have taken it in order to produce them.

All saleable property, or wealth, therefore, is the produce of trouble or *labour*. And in order to avoid confusion, it is desirable to confine this term labour, to such exertion as is productive of wealth. Men exert themselves for amusement, health, or recreation, and may fatigue themselves as much in so doing as a ploughman or a mason; but their exertion neither produces nor is intended to produce anything which can be exchanged or sold, and it will be desirable, therefore, not to call such exertion labour. The limitation of the term labour to such occupations as are productive of wealth, and exerted for the sake of gain, will serve to put an end to all the unprofitable and futile discussion, so common in works on political economy, as to what kinds of labour are productive and what unproductive.*

Though it is a law of nature that labour, in some shape, is necessary for the support of man's existence, since even the necessities of life are in no quarter of the globe to be procured without it, yet those persons are surely in error who consider this condition as an evil, and labour as essentially a

* The difficulties with which the ultra refining and mathematical school of political economists have to contend, are well exhibited in the disputes between them as to the limits of productiveness. Mr. Malthus denies that the labour of a cook, a coachman, an author, or an actor is productive, though asserting the productiveness of that of a butcher, a coachmaker, a printer, and a scene painter. Mr. M'Culloch, running into the other extreme, insists that the occupations of billiard playing, blowing soap-bubbles, nay, of eating, drinking, and sleeping, are productive!

sacrifice and privation. Eating and drinking are, likewise, necessary for the maintenance of life; but they are not on that account usually considered as sacrifices. As has just been remarked, we often see the amateur artist, gardener, farmer, or mechanic, fatigue himself as much for the mere pleasure afforded by the employment, as those who do the same things for their daily bread, or for gain. So far from complete inaction being perfect enjoyment, there are few sufferings greater than that which the total absence of occupation generally induces. Count Caylus, the celebrated French antiquary, spent much time in engraving the plates which illustrate his valuable works. When his friends asked him why he worked so hard at such an almost mechanical occupation, he replied 'Je grave pour ne pas me pendre.' When Napoleon was slowly withering away from disease and ennui together, on the rock of St. Helena, it was told him that one of his old friends, an ex-colonel in his Italian army, was dead. 'What disease killed him?' asked Napoleon. 'That of having nothing to do,' it was answered. 'Enough,' sighed Napoleon, 'even had he been an Emperor.'

Even severe manual labour is not necessarily a sacrifice. There is an animal pleasure in toil. It is questionable whether the mental or bodily labour to which the highest and wealthiest classes are driven to resort as a resource against ennui, communicates, in general, so pleasurable an excitement as the muscular exertions of the common hind, when not overworked. Nature has likewise beneficently provided, that if the greater proportion of her sons must earn their bread by the sweat of

their brow, that bread is far sweeter for the previous efforts, than if it fell spontaneously into the hand of listless indolence. It is scarcely to be questioned, then, that labour is desirable for its own sake, as well as for the substantial results which it affords; and, consequently, that it by no means lessens, but rather adds to the general chance of happiness, that nearly all the members of society should, in some shape or other, be placed under an obligation to labour for their support.*

Nor is it much to be regretted that some modes of employment are less agreeable or more irksome than others. Habit has a powerful effect in qualifying the disagreeableness of occupations, and of converting them into sources of gratification. Hundreds of facts might be adduced to prove that the persons engaged in employments which to others of different habits appear intolerably disgusting or irksome, become after some practice not merely reconciled, but attached to them. There are few workmen who, if asked, will not declare their preference for the branch of labour to which they have been brought up or long accustomed, over any other. It will appear, on examination, that whether an individual ply his occupation by sea or land, in the open air, in the interior of crowded towns or manufactories, or in the bowels of the earth,—these circumstances in no degree influence

* In a popular farce, Deputy Figgins, a London shop-keeper, when persuaded by the solicitation of his wife to leave his shop for a day, and take an excursion to Richmond, exclaims, ‘ Well, my dear, since we must give up the day to pleasure, let us make it as like business as possible.’ And the sentiment is so true to nature, that the hit always tells through the theatre.

the pleasure he takes in his labour, or the amount of comparative happiness which falls to his lot. In truth, whatever inconveniences do attend particular employments are necessarily compensated by the proportionately increased remuneration, which, under a system of *free labour*, is sure to be awarded to them; and that this compensation is complete in the estimation of the labourers themselves, is proved by there being as much *competition* for such employments as for any other.

This brings us to the important consideration that, in order not to interfere with happiness, *labour must be FREE*, that is to say, voluntarily exerted, and left at liberty to take any direction that it may please the individual labourer to give to it. Compulsion is itself a privation, and a source often of very considerable suffering; and an occupation which might be undertaken and exercised with pleasure by any one of his free will, must be a grievance and a hardship if forced upon him.

But not only is forced labour less *pleasurable* than free, it is likewise incomparably less *productive*. All observation confirms what our instinctive sentiments will suggest, that to encourage a man to put forth his powers to the utmost in any kind of labour, he must be left free in his choice as to the nature and quantity of his work. It is scarcely necessary to refer, in proof of this, to the notorious idleness, apathy, and obstinacy of the slave. But it may be as well to advert to the decisive fact, that by far the most productive labour of all is that of the *mind*, which is not susceptible of compulsion. A man may be forced to dig a field, or spin a web, but he *cannot be forced to improve a plough*.

or a loom,—much less to invent a steam-engine or a spinning-jenny. Nor even if compulsion could extort such results of mental labour from those who were capable of it, could a master know beforehand where lay the dormant capacity. No artificially prescribed contrivances can direct the ingenuity of individuals into those lines of thought or action for which they are by nature best qualified. Perfect liberty in the choice of occupations is absolutely necessary, to ensure the adoption of such as are most suitable to the peculiar qualifications of the individual, and likely, in consequence, to be most productive, as well as most agreeable. And thus the freedom of labour becomes doubly important, as necessary for increasing both the happiness of the labourer and the productiveness of his toil. It is moreover, as we have seen, one of the first natural rights of man, which no government can justly intrench upon, without the strongest proofs of the necessity of such interference for the general welfare.

Neither must labour, to be pleasurable or productive, be without an object. It is the cheering anticipation of some gratifying result, and the hope of enjoying this, which sweetens the toils of labour, relieves its irksomeness, and appears to shorten its duration. It is the *produce* of labour which forms its natural reward. It is in the satisfaction of man's wants that the sacrifices, if any, necessary for that end, are more or less fully repaid. Though labour is necessarily no evil, yet it is the prospect of its reward that gives it much of its zest; and if this be scanty and inadequate, the toil endured for its sake is embittered. If sufficiently

remunerated, labour cannot, under a system of freedom, be a source of suffering. The temptation of high wages may, it is true, induce some individuals to over-work themselves imprudently, and exhaust their strength and health. But these are rare exceptions. We deal only in generals; and, as a general rule, it cannot be doubted that where a sufficient remuneration is to be obtained by *moderate* labour, it may be most safely left to the labourers themselves how far they will or will not exceed that point.*

With respect to what constitutes a sufficient remuneration for labour, there may be some uncertainty. This, however, may be laid down as unquestionable, that it must *not be less* than will find the labourer and his family, if he have one—ay, even as large an one as he can possibly have,—in a sufficiency of wholesome and agreeable food,

* This assertion does not militate against the principle of the sabbath, or that on which the 'Factory Bill' is founded. The sabbath was instituted for a state of society in which the labourers were principally slaves, and needed some protection from being overworked by their masters. It has operated most beneficially in countries where slavery no longer exists, but where the reward of labour, owing to a bad system of public economy, is so scanty that the labourers would otherwise have been driven to ceaseless toil, by sheer want. As a moral and religious institution, the sabbath is beyond all praise. But in an economical view, where labour is free and well remunerated, it is clear no law can be wanted to protect the labourer from overworking himself. And, in fact, where wages are high, the workmen generally take one, often two holydays in the week, in addition to the Sunday. The same reasoning applies to the Factory Bill, a measure which in a healthy state of society would be a needless interference, though in the existing circumstances of this country, it seems to us highly desirable.

warm and decent clothing, and convenient lodging,—in short, in the means of comfortable subsistence, besides enabling him to indulge in an occasional holiday, and to lay by a provision against sickness, casualty, and old age.

If, as we think will hardly be denied, these views are correct, we arrive through them at something like a general principle as to the fundamental conditions essential to the general happiness;—namely, that the labour, which we must believe will always be necessary for the support and gratification of the great mass of mankind, be *voluntary* and *free in the choice of its direction*; and that by moderate exertion it obtain as its recompense at least a sufficiency of the necessities and principal comforts of life, both for the present consumption of the labourer and his family, and for a reserve against contingencies.

These conditions fulfilled, every further increase of the comforts or luxuries which falls to be divided among the members of a community, is an increase to their general means of happiness, proportionate, *cæteris paribus*, to the equality with which they are distributed. But these conditions *must be fulfilled* before an increase of the *general wealth* can be assumed to be an addition to the general happiness, and therefore a desirable object in the eyes of the political economist; who, mindful of the true end of his science, looks to wealth only as a means of happiness, and declares against all such measures as, though tending to augment the mass of wealth, do not tend to *distribute* it in such a manner as to augment the general happiness.

That every increase of wealth is not a proper

tionate increase of the aggregate means of enjoyment—nay, that some kinds of wealth may be greatly augmented at a great sacrifice of human happiness—is easily demonstrable. Suppose, for example, a race of absolute sovereigns to have a taste for jewels, and to employ several thousands of their subjects or slaves, generation after generation, in toiling to procure them: these treasures will be wealth of enormous *value*, but add barely anything to the aggregate means of enjoyment. Suppose another race of sovereigns to have employed equal numbers of workmen during the same time in making roads, canals, docks, and harbours throughout their dominions, and in erecting hospitals and public buildings for education or amusement: these acquisitions to the wealth of the country, having cost the same labour, may be of equal *exchangeable value* with the diamonds of the other sovereign; but are they to be reckoned only equally *useful*—equal accessions to the aggregate of human gratification? Suppose two tracts of ground of equal extent and fertility, one laid down as a deer-park for the sole pleasure of a wealthy individual, or sovereign, (as when the New Forest was emparked by Rufus,) the other divided into moderate-sized farms, each affording to the landlord a fair rent, to an honest farmer and a tribe of contented cottagers employment and maintenance,—to the community an enlarged supply of food. Such tracts may be equally valuable, if sold in the market, but are they equal in their influence on the sum of human enjoyment? Even Slavery itself may be in all probability, to a certain extent, a means of increasing the quantity of exchange-

able wealth in the world ; but will any one recommend it as a means of augmenting the mass of human happiness ? No ! wealth may be purchased at too high a price, if that price be the degradation and suffering of those who produce it. Wealth is only to be measured by its exchangeable value. In this sense increase of wealth assuredly is no true measure of the increase of enjoyment ; and the science of wealth, if the attention be confined to the means of increasing its aggregate amount, may just as frequently lead to what will injure as to what will benefit the human race. If the greatest happiness of the community is the true and only end of all institutions, it follows that a government which should take political economy of this kind as a guide to its legislation, without continually correcting its conclusions by reference to the principles on which the happiness, not the wealth of man depends, must often sacrifice the real interests of the people it presides over for a glittering fiction.

It may be said that such inquiries would be difficult and complicated ;—that it is impossible to mete out happiness, or establish a graduated scale by which to ascertain the utility of legislative measures towards this end. But the same argument might evidently be urged with equal force against all moral science. The happiness of society is the only end of every moral as of every economic precept. If it be, as we readily admit, impossible to ascertain to a fraction the precise extent in which any given measure is likely to affect the happiness of a community—still this can be no reason for adopting so obviously false a standard

as the increase of its aggregate *wealth* alone. There are other tests which there can be no good reason for neglecting ;—there are, in the pursuit of economic as of moral policy, some broad landmarks to which it would be folly to shut our eyes—some palpable boundaries which it would be madness to cross—some clear general rules which point the direction of our path, and reduce the chances of error within very trifling limits, if we do not madly refuse to walk by their light.

One of these criteria, and by far the most important, is the proposition, which we do not hesitate to lay down as a fundamental truth,—that *the amount of human enjoyment principally depends on the number of human beings enabled, without excessive toil, to obtain a comfortable subsistence, with satisfactory security for its continuance.*

That the happiness of individuals does not necessarily increase with their wealth, is attested by the combined authority of all the philosophers and moralists of past ages. The most cursory observation of mankind proves that there is often as much enjoyment of life beneath a straw roof as a painted ceiling,—under a smock frock as a silken robe. Nay there are who very plausibly urge that

‘*Quei che felici son non han camicia.*’*

* *Casti, La Camicia dell' Uomo Felice* ;—one of the few of his *Novelle* that can be read with a relish for the philosophy, undisturbed by disgust at the profligacy, of this clever satirist. A sick sovereign is recommended, as an infallible specific for his disorder, the application of ‘the shirt of a happy man.’ His emissaries in vain ransack all countries in search of such a being. At last they discover an individual who acknowledges himself to be happy, in the shape of a wild

the cares of life increase with the increase of property.

Without heaping together commonplaces on the subject, it will be disputed by few that, beyond a certain point, the amount of enjoyment shared by the different classes of society is pretty equal. 'Life,' says a shrewd writer, herself of the most elevated class, 'affords disagreeable things in plenty to the highest ranks, and comforts to the lowest; so that, on the whole, things are more equally divided among the sons of Adam than they are generally supposed to be.'* 'Whoever enjoys health,' says Jean Jacques, 'and is in no want of necessaries, is rich enough; 'tis the *aurea mediocritas* of Horace.'

This last passage states truly what that point is, at which an increase of wealth ceases to be a proportionate increase of enjoyment. Had Rousseau's language possessed the word, instead of necessaries, he probably would have said 'comforts.' Our own poet confines the real wants of man to

'Meat, fire, and clothes: what more? clothes, meat, and fire.'

These, or in other words, the means of comfortable subsistence, compose the competence which admits of perhaps as keen and complete enjoyment of life as any fortune can bestow. That this comfortable subsistence is to be procured only by labour, so that it be voluntary, free in its direction, and not excessive, is, as I have attempted to show,

mountain shepherd. But alas! he has no shirt! on which the tale ends with the above exclamation, 'Those only are happy who have no shirts to wear.' So D'Alembert used to say, 'Qui est ce qui est heureux? Quelque misérable!'

* Letters of Lady M. W. Montague.

no detraction from the enjoyments it affords, but rather, if anything, an addition to them.

If, however, we come to the conclusion, that an individual who has within his easy reach the means of comfortable subsistence enjoys as fair a chance of happiness as those who occupy stations in the common opinion of the world more enviable, it is very clear that *less than* this will not afford the same chance. Though the enjoyments of wealth may be, on the whole, counterbalanced by the cares that accompany it, the evils of poverty are real and uncompensated. An individual who wants the means of subsistence,—nay, of comfortable subsistence, together with satisfactory security for its continuance, is in a state of suffering! Coarse diet may please the hungry appetite of the peasant as much, or more, than do costly viands the palate of the rich gourmand, and a frieze coat may be as pleasant wear as superfine,—but scanty, unvaried, and ill-flavoured food, or deficient clothing and fuel, if it does not entirely prevent, must greatly detract from the enjoyment of life.

The conclusion then is, that every individual who has assured to him the means of comfortable subsistence without excessive toil, has a tolerably equal chance for happiness with those who possess a larger share of wealth; but that any falling off from this condition will proportionably lessen the individual chance of enjoyment. Consequently, the means of enjoyment possessed by any society must be judged of principally by the number of those who possess the means of comfortable subsistence on these terms, compared with that of those who

fail in obtaining them. And we thus acquire a *primary* measure of national happiness—independent of the aggregate amount of wealth in its possession—which cannot but be of service in the study of the domestic economy of communities.

The inference we deduce from this position is, that the first economical object with every government ought to be the securing to every individual member of the community it regulates, the means of comfortable subsistence in return for his labour, and the certainty of its continuance; and that until this is effected, no general augmentation of the national wealth—no signs of increased luxury among the higher or middle classes—no swelling of the import or export lists, or other supposed tests of national prosperity, can be depended on. The increase of wealth may add to the means of gratification of the few who have already more than they can possibly enjoy, but it may be accompanied by a falling off in the means of the many, who even now have less than the *minimum* necessary to save them from positive suffering.

Under such circumstances—and they are found not in this only, but, with the exception of the United States and some of our colonies, in nearly all civilized countries—the aim of the economical policy of their rulers should be, not simply to obtain the greatest possible production of wealth, but to obtain it in such a shape, and by such means, as will distribute the greatest possible share of it among the greatest number of people—so as to afford to each individual, at least, a sufficiency for his comfortable subsistence.

How this great object is to be accomplished—what are the steps which should be taken to promote so desirable a state of things,—can only be discovered by a study of the natural laws which determine the production and distribution of wealth, and particularly of those things which compose the necessities of subsistence and the primary comforts of life. To this study we now proceed.

CHAPTER III.

Conditions of the Production of Wealth—The Institution of private Property—Labour—Land—Capital.

IT appears that man has everywhere and always from the first traces we possess of his history, laboured in the production of wealth on that simple principle of appropriation, which, as we have seen, is the natural foundation of the right to property;—namely, that whatever an individual creates or redeems from a state of nature by his labour, is *his*, and *ought to be* at his sole disposal.

In some rare instances, however, this principle of private property has been exchanged for that of a community of goods between all the members of a society. But the experiment may be pronounced to have never succeeded in practice. Indeed, it will appear upon reflection to be irreconcilable with the most elementary principles of human nature. One of the strongest of these is the desire of individual appropriation. Sympathy is no doubt a very powerful sentiment; but it is provided by Nature, with a view, as we may well believe, to the preservation of the species, that the instinct of self-gratification should, for the most part, prevail over it. In the common phrase, *one's-self* stands as *number one*. In the extremity of want or danger this instinct betrays itself most conspicuously. Next to a

man's own self, in his estimation, usually stand his children, his parents, and the wife of his bosom. These are almost a part of himself; and their gratification is nearly as strong a motive for exertion as his own. But the sentiment becomes diluted by an attempt to expand it over a wide circle. And it is certain that, as a general rule, man will not labour for others than his immediate family, or for the increase of any common fund to be shared in alike by the members of a large community, with anything like the zest and willingness, the assiduity and perseverance, with which he will toil for himself.

Even within the limits of a family circle the same rule holds good among those who have attained to an age rendering them capable of labour. History presents us with many examples, and some are yet to be found existing, of patriarchal families in which all the members, comprehending several generations, labour for one common fund. But though these instances frequently offer engaging pictures of domestic happiness, yet it is certain that such communities have been rarely, if ever, observed to make any advance in the arts of production or the accumulation of wealth, or even to increase in numbers; but are found to stagnate in a condition barely removed above want, until something occurs by which they are broken up, and the strong stimulus of individual gratification is substituted for the less cogent one of the general benefit.

An additional objection to a community of property is that it necessarily puts an end to all individual liberty of *choice* as to the direction

or amount of labour. Each labourer must have his specific task allotted to him by some superior power established for the purpose, which task he must be *compelled* to execute under pain of some forfeiture or privation. But we have already shown that to encourage the utmost productiveness of labour, as well as to render it pleasurable, the labourer must be left *free* to choose both the nature and quantity of his work.

It is the neglect of these principles which is even now betraying many ardent and benevolent investigators of the public happiness into signal and mischievous absurdities. The followers of Owen in this country, and of St. Simon in France, with other similar sects which are spreading through Germany and the United States of America, struck by the remarkable fact that the vast advance made of late years by civilised nations in the arts of production, though it has increased the wealth of a few, has added proportionately little to the share of enjoyment that falls to the great body of the people, whose labour is the primary instrument of all production—have hastily jumped to the conclusion that, in order to ensure the more equal distribution of the products of industry, *all* that is wanting is a new arrangement of society on the basis of a community of property. Now nothing can look more pleasing upon paper, or sound more enchantingly in a lecture upon social happiness, than a proposal to put an end to all the struggles of individual competition, and the painful contrast of contiguous wealth and poverty—to substitute love, friendship, and common enjoyment, for hatred, jealousy, and

exclusive self-gratification. No picture can be more pleasing than that of men dwelling together in unbroken harmony and untiring union. No assertion can be more plausible than that were all the efforts of the industrious combined in one common direction, and all the rubs and jostling, and cross purposes, and mutual interference prevented, which now check and retard the progress of each, the general advance would be greatly accelerated. But—is it possible to realise this beatific vision? There is not the slightest ground for supposing so. Its designers forget that the industry, of which in the present advanced state of society they witness the fruits, has been brought into being, and has hitherto grown and thriven, *only* under the shelter of the institution of private property and the stimulus of competition; and that neither history nor observation warrants, in the least degree, the assumption, that industry could exist at all except on these conditions. The establishment of a community of property would most probably, by damping industry and discouraging production, shortly leave no property whatever to divide. The desire of individual acquisition has hitherto been the main motive to every exertion. Take it away, by sharing the results of a man's labours equally, or in certain proportions, fixed by others, among his neighbours—so that he himself shall not be benefited, except in an infinitesimal degree, by its increase, and who will guarantee the continuance of his exertions with the same vigour and energy which he now evinces, if he even continue them at all, when sure of a maintenance, at all events, from

the labours of others? Experience has proved the constitution of the human mind to be such, that freedom in the direction of labour, and security for the personal enjoyment or disposal of its products, are the conditions on which alone industry will be effectually put forth, and production advanced. That the opposite conditions will admit of the same results is not merely not in accordance with, but directly opposed to the analogy of our experience. The proposal of a community of goods as a remedy for their present unequal distribution is like an attempt to cure a horse of stumbling by cutting off his legs. We are not surprised that the same philosophers generally advocate a community of wives and children, with a view, it must be supposed, to the increase of the conjugal and parental affections.

That the products of industry are, at present, too unequally and therefore unfairly distributed, is most true; but surely means may be devised for remedying this, short of the complete annihilation of the principle itself of production—individual acquisition. That such means are attainable indeed, and this by the simplest exertion of fore-thought and pre-arrangement, I trust to be able shortly to show.

Enough has been said here, perhaps, to prove that since the main object of all regulations respecting wealth is to obtain the greatest possible amount of production consistently with a sufficient remuneration to the producers, the principle of a community of property must be rejected as unfriendly to the voluntary increase of production; and the natural right of every individual both to

choose the direction, and dispose of the produce of his labour, (under reservations to which I shall hereafter advert,) admitted as the only true foundation of economical polity. We proceed to consider the other essential conditions of production.

All wealth is the product of labour; but not of labour alone. Labour can *create* nothing. All that it does, is to alter the disposition of things already existing in what is usually called a *state of nature*. To produce anything, the labourer must operate upon some natural substance, and call in the ever-active powers of nature to his aid. The agriculturist, for example, does not create corn; he only applies the seed after a certain method which his knowledge, obtained through experience or precept, teaches him to be best adapted for causing the growth of the greatest quantity of corn; and the powers of the soil and the atmosphere, the moisture of the heavens, and the genial warmth of the sun bring about the *production* of his crop. These powers, therefore, of earth, air, water, and fire, (which the ancients in their ignorance of chemistry considered, and in their equally ignorant, though pardonable gratitude, worshipped as *primary elements*,) or to speak more correctly, the natural affinities of the material substances occurring on the surface of the earth—must co-operate with the labourer, or his toil is utterly unproductive.

Nor is this generally enough. There are few things which an individual, though availing himself of all the powers of nature within his reach, can produce *by himself*, or by a single effort of labour.

He must *call in the aid of others*; and he must, likewise, exert himself *at repeated intervals*;—he must avail himself of the results of his *previous labour*, or that of others—generally of both. Take the simplest case—the labour by which a man may sometimes satisfy his hunger by gathering berries from a bush. Even here nature must have first produced and ripened the fruit to his hand. Wild fruits, however, are but scantily supplied by nature. If then, to supply his wants, a man desire animal food, he must provide himself with some product of previous labour (his own, or of others), a club, a bow, a trap, or a gun; and he must acquire, moreover, by previous labour, both of mind and body, a knowledge of the haunts and habits of the animals he wishes to take, or he has but a small chance of breaking his fast upon them. If wild fruits and animals become equally scarce, and he is led by Necessity, the fertile mother of Invention, to sow or plant the herbs and trees which produce the former, and to domesticate the latter for the supply of his wants—still more observation, forethought, contrivance, and preparation are necessary on his part. He must acquire a *knowledge* of the habits and characters of the useful plants—of the best methods of cultivating and storing them; he must provide the proper seeds and plants—tools with which to dig up the soil, clean it, and gather his crops,—fences to keep off wild animals, and confine his tame ones, with a store of fodder for their sustenance. All these preparations are the result of previous labour, accumulated for the purpose of aiding him in the production of food,

Similar provisions will be required to supply him with clothing, shelter, and other desirable objects.

The results of labour so *accumulated*, or provided beforehand *for productive purposes*, are called by the general term *capital*.

It is thus made clear that labour can produce nothing, or scarce anything, without the aid both of capital and the useful qualities of those natural substances which are scattered over the surface of the earth. These, then, are the primary and essential elements of human production ;—Labour, Capital, and the natural products of the earth's surface,—which, so long as they are affixed to that surface, and not severed from it by industry, are all classed in the language of political economists, (following in this the language of the law of property) under the somewhat vague title of *Land**. And if, as would seem proper, we comprehend under the term *labour* all the *ability*, or productive capacity of man, natural or acquired—under that of *capital* all the substantial results of labour, stored up and employed in furthering production—and under that of *land*, all the natural qualities of those substances met with on the face of the earth, which can be appropriated and rendered available for productive purposes, we shall embrace under these several heads every

* “The word ‘land’ includes not only the face of the earth, but everything under it, or over it. Therefore, if a man grants all his lands, he grants thereby all his mines of metal and other fossils, his woods, his waters, and his houses, as well as his fields and meadows.”—*Blackstone's Commentaries*, II. c. ii. p. 18.

thing that in any shape co-operates in the production of wealth, or in satisfying the wants of man in every phase of his condition, from the extreme of barbarism to the acme of civilization. These elements of production we now proceed to consider separately, in the order in which they have been mentioned, namely, Labour, Land, and Capital.

CHAPTER IV.

Labour—Exchanges of its Produce—Right to Free Exchange—Division of Labour—Its advantages—Co-operation and mutual dependence of all Labourers—Barter—Money—Its use—Coin—Credit—General use of.

THE first essential towards production is labour. To play its part efficiently in this great business, the labour of individuals must be *combined*, or, in other words, the labour required for producing certain results must be *divided* among several individuals.

If a man were to attempt to raise from the earth's surface all the food required by himself and his family, and all the materials for their clothing, furniture, and shelter, and likewise to prepare them for use, it is clear, that the food, clothing, furniture, and lodging he could obtain in this way would only be of the very poorest and scantiest description; not, under the most favorable circumstances, equal to those which Robinson Crusoe is described as having provided for himself in his island solitude; for Crusoe had attained a knowledge of many of the arts of civilized life, by education in a society where exchanges of labour had long been practised. Had all men persisted in labouring on a system of isolation, each for himself only, all must have remained in a state of barbarism. None of the useful arts could have

existed. The metals would have slept untouched in the rock ; the timber would have rotted unhewn in the forest ; the soil would never have been turned up by the plough or spade. A few raw fruits stripped from the wild bushes, and the precarious produce of the chase for food—clothing of skins, and the rude shelter of the cave or branch-hut, would have made up the sum total of human possessions. Under this system, the members of mankind must have been kept within very narrow limits by disease and a continual dearth of subsistence. Countries which now contain millions of civilized men, enjoying for the most part an abundance of comforts, could scarcely have supported as many hundreds of half-starved savages.

But it is contrary to the inherent tendencies of human nature that such a state of things should long continue. Man is formed to live in society ; and, as we have seen, necessity suggests to every society the general recognition of the right of each individual to freedom in the direction of his industry and a private property in its produce. Now, wherever, and so soon as these two fundamental principles of society are acknowledged, *exchanges* of the produce of labour immediately must commence among individuals. One, for instance, has gathered more fruits than he can consume, and meets with another who has a larger stock of skins fit for clothing than he can himself make use of. The first is in want of clothing, the latter of fruit, and each finds his advantage in exchanging the excess of the article he possesses for that of the other. The exchange being wholly voluntary

on both sides, the advantage is mutual, and equal to both parties, or it would not be agreed to by both; and the same is true even in the most artificial state of society. So long as exchanges are free and voluntary, so long it is evident that the benefit to the exchanging parties is mutual and equal, or each would not agree to them.

The *right to freedom of exchange* is included in the right to a free disposal of the produce of labour, and rests on the same ground of expediency; since it is evident that in whatever degree the labourer is at any time prevented from exchanging the produce of his industry with others, for whatever he can obtain for it most desirable to himself—to that extent are his exertions damped and discouraged, their productiveness diminished, and their reward lessened; at the same time that his personal freedom of action is needlessly, and therefore wrongfully, interfered with.

The adoption of this system of exchanging the products of labour makes it exceedingly convenient and advantageous for each labourer to confine himself to the production of one, or at most, only a few commodities, and to exchange all that he produces beyond his consumption with others who in their turn do the same. Each is thus enabled to avail himself of any peculiar natural advantages he may possess, whether of personal powers or of position, for the production of a particular commodity; and, likewise, to acquire by the force of habit and undivided attention a high degree of *skill* in the performance of his peculiar task. By help of these *natural* and

acquired advantages, he is enabled to produce far more, and, consequently, to obtain in exchange for the produce of his labour, a far greater quantity of the things he desires to consume, than he could by any possible efforts directly produce of himself.

It is by this *division of labour* among a variety of classes of labourers, each of which takes a different branch of industry, that the gross amount of production is infinitely augmented. Under the sanction of just and well-administered laws enforcing the fulfilment of contracts for the exchange of labour or of goods, and giving security to private property, this division is carried in some countries to an extraordinary extent; and its effect in augmenting the general production, and consequently the wealth and comforts of all classes, is almost incalculable.

Dr. Smith was the first writer who called attention to the extraordinary increase in the productive powers of industry caused by the division of employments, and his mode of treating and illustrating the subject has been but little improved upon by any succeeding writer. He classes the advantages gained as,

First, increased skill and manual dexterity in workmen. A nail-maker, for example, by confining himself exclusively to the manufacture of that article, will make two or three thousand nails in a day; where an ordinary smith, who only turned his hand occasionally to this process, could make but as many hundreds. A man who wanted such a common thing as a few pins, might, if he attempted to fabricate them for himself, spend a

day in making a dozen of very bad ones; whereas by giving their attention exclusively to this branch of industry, and *subdividing* its various processes among themselves, ten men will, in a pin manufactory, make in one day as many as 50,000 well-finished pins, and their cost to the consumer is proportionately reduced. The rapidity with which the operations of some manufactures are performed, exceeds what the human hand could, by those who had never seen them, be supposed capable of acquiring.

Secondly, the saving of time. An individual who carries on many different employments in places often necessarily far apart, must waste much time in moving from one to the other, which will be saved by attaching himself exclusively to one occupation. This is Adam Smith's argument, but he might have thrown a far stronger light on the economy of time that results from a well-regulated division of labour, if he had noticed the power it frequently gives to one individual to do the work of numbers, quite as effectually as they could do it themselves. An excellent illustration of this benefit is given by Dr. Whately* in the establishment of a post-office and letter-carriers, without which every letter would require a special messenger to convey it to its destination. A postman who carries a thousand letters from the city, and delivers them in the vicinity of Chelsea in the course of a few hours, may be said to do the work which, without such a contrivance, would engage a thousand persons for nearly the same time. The carriage of goods of all kinds by persons who

* Lectures on Political Economy, Oxford, 1831.

especially addict themselves to that calling, whether by sea or land, is, of all branches into which employment is divided, one of the most generally useful; because it operates to a vast extent in economising the time and labour of individuals. At what rate would production of any kind advance, if every labourer were obliged to proceed in person to fetch every article he required from the spot where it was raised, and to carry every thing he produces to the place where it is to be consumed?

It is evident that, by these and many other contrivances, there is not only effected a vast economy of *time*, but of *power* likewise, through the division of labour. Without it a man would be often employed in doing what a child could equally well perform; and a workman of consummate skill or natural capacity for some particular branch of industry would be forced to let his great powers of production remain dormant for the greater part of his time, while he was providing for his varied necessities in a number of occupations, which might be as well done by those who are capable of nothing else.

Thirdly, the invention of tools, machines, and processes for shortening labour and facilitating production. It is evident that a man who is eternally shifting from one occupation to another, for the direct supply of all his various wants by his individual exertions, will not be near so likely to invent ingenious methods for shortening or saving his labour, as one whose attention is devoted exclusively to a particular branch of industry. In fact, by far the greater number of improve-

ments in tools and machinery have been produced by the efforts of workmen and artificers to economize their time and trouble, and increase the productiveness of their peculiar employments.

Perhaps in no trade has the division of labour been successfully carried to so great an extent as in that of watch-making. In an examination before a committee of the House of Commons, it was stated, that there are a hundred and two distinct branches of this art, to each of which a boy may be apprenticed.

An equal gain results from the division of the labour of the head, as from that of the hands. 'As society advances, the study of particular branches of science and philosophy becomes the principal or sole occupation of the most ingenious men. Chemistry becomes a distinct science from natural philosophy; the physical astronomer separates himself from the astronomical observer; the political economist from the politician; and each meditating exclusively or principally on his peculiar department of science, attains to a degree of proficiency and expertness in it which the general scholar seldom or never reaches. And hence, in labouring to promote our own ends, we all necessarily adopt that precise course which is most advantageous for all. Like the different parts of a well-constructed engine, the inhabitants of a civilized country are all mutually dependent on, and connected with each other. Without any previous concert, and obeying only the powerful and steady impulse of self-interest, they universally conspire to the same great end; and contribute, each in his respective sphere, to furnish

the greatest supply of necessities, luxuries, conveniences, and enjoyments.*

The system of the division of labour might be equally called the combination of labour, since its effect is the co-operation of many labourers to produce a common result. In fact, wherever this system has made any considerable progress, the society assumes emphatically a *co-operative* character. Every member is dependent on the aid of others in everything that he does, and for everything that he enjoys. The ploughman cannot turn a furrow without the help of the wheelwright and smith; these can do nothing without that of the timber and iron merchant, the miner, and the smelter. These again must be assisted by the rope-maker, the powder manufacturer, the engineer, the carrier, and several others; while all depend upon the baker, the mealman, the butcher, the farmer, the grazier, &c. for their supplies of food,—and on the tailor, the cotton and cloth weavers, the flax and wool grower, the importer of cotton, &c. for their clothing. All society is, in fact, one closely-woven web of mutual dependence, in which every individual fibre gains in strength and utility from its entwinement with the rest. But while all the members of society co-operate for a common purpose, the increase of the general welfare, each individual is still strictly occupied in pursuing what he considers his own private and exclusive interest in whatever way he likes best.

And here is to be seen the vast superiority of the principle of freedom over that of compulsion—of the system of co-operation which springs naturally

* Macculloch, Political Economy, p. 95.

and spontaneously from the mutual wants of men, over that artificial, forced, and premeditated system of co-operation, which of late has been put forward as the true rule of social arrangement, by the erratic and visionary philanthropist, Mr. Owen, and some of his followers. Had the wisest of mortals, at any former period in the history of this country, been entrusted with full powers to frame and organize a co-operative system, assigning to each individual in the state the task he was to perform for the common welfare, and distributing to each the share considered to belong to him of the common produce—can it be supposed for a moment that he would have been able to devise arrangements capable of securing anything like the efficacy and perfection with which the principles of free labour, private property, and free exchange perform at present the supply of all the varied and complicated wants of this vast population?

If we confine our attention to the mode in which the inhabitants of the metropolis are provided with the necessaries of life, we may see in it a wonderful phenomenon strongly illustrative of the benefits of the actual system of co-operation, founded on these great principles. If the management of this important business were entrusted to a few individuals, a neglect, a mistake, an indiscretion on their part, might occasionally bring upon this mighty centre of wealth and industry all the horrors of famine, and compromise the existence of a million and a half of people. What is it, then, that performs this important function—that supplies this great population with

its daily food, so quietly, and so effectually,—without bustle, without even organization,—without excess, as without waste—the supply so equally adjusted to the demand, that the prices of butchers' meat and bread do not perhaps suffer a variation of a farthing throughout the year, which is not to be accounted for by natural causes affecting the original sources of supply? What is it that performs this daily miracle, which only does not excite our continual admiration because it is self-effected with all the order, ease, and certainty of a great natural process? Why, the principle of competition; the free and open rivalry of thousands of individuals, each acting according to his own discretion in his own self-appointed sphere; each actuated by the unerring instinct of self-interest, which prompts him to produce as much as he can sell, but no more; to sell as much as he can with a profit, but to provide no more than he can dispose of without loss; to keep the supply full, but to prevent excess. An abundant supply causes each producer to lower his prices, and thus enables the public to enjoy that abundance, while he is guided only by the apprehension of being undersold; and, on the other hand, an actual or apprehended scarcity causes him to demand a higher price, or to keep back his goods in expectation of a rise. 'For doing this the dealers of provisions are often exposed to odium, as if they were the cause of the scarcity; while in reality they are performing the important service of husbanding the supply in proportion to its deficiency, and thus warding off the calamity of famine. The dealers deserve neither censure

for the scarcity they are ignorantly supposed to produce, nor credit for the important public service they in reality perform. They are merely occupied in gaining a fair livelihood. And in the pursuit of this object, without any comprehensive wisdom, or any need of it, they co-operate, unknowingly, in conducting a system, which, we may safely say, no human wisdom directed to that end could have conducted so well; the system by which this enormous population is fed from day to day*.'

The advantages of the division and combination of labour will still further appear, when we come to treat of the several classes into which society divides itself as civilization advances.

The direct exchange of goods of any kind for goods is called *barter*; and, as it is the most simple mode of exchange, so we find it still the only method in use among some uncivilized nations. But its excessive inconvenience must suggest, even to a very low degree of intelligence, the advantage of improving upon it. Suppose a savage, for example, to have taken and killed a bullock, or other large animal, which he would find a difficulty in consuming alone. He is desirous of exchanging the surplus beyond his own consumption for a variety of other objects which he is in want of. His neighbours, on their side, are anxious to purchase his meat, but it is highly improbable that each should have by him, and can spare, just that quantity of any of the peculiar articles of which the owner of the meat stands in need, which will enable the former to obtain

* Whately's Lectures, p. 108.

in exchange the precise quantity of meat which he desires. To obviate this difficulty, which must be continually recurring, one or other of two very simple methods would suggest themselves: the one, that he who had the meat or other object to dispose of, should give *credit* to him who wanted it, on his engagement to repay him either the same or such other object as may be agreed upon, when able to do so, or at some definite time; the other, that individuals should generally keep by them a stock of some peculiar article in general request, a portion of which would be readily taken by every seller in exchange for his commodity. The first of these methods of facilitating exchanges is that of *credit*, the second of *money*. Both were probably coeval in their origin. Both have continued in use with more or less of improvement among all nations, civilized as well as uncivilized, to the present day.

Of the commodities that have been, and in some instances still are, in use as *money* by different nations, we may instance oxen, shells, salt, leather, and iron, &c. But in nearly all countries men seem to have been at an early period determined by irresistible reasons to employ in preference for this purpose the more valuable metals, copper, silver, and gold. These reasons are, their possessing qualities fitting them for this peculiar office, in a far superior degree to any other commodity of intrinsic worth. They may be kept almost any time without loss; they are of such rarity, and so much esteemed (that is, of such great intrinsic value), that small portions of them, easy to be carried about (more especially of the two

precious metals) will exchange for comparatively large quantities of most other goods; and they may be divided without loss into any number of parts, and re-united again, through their fusibility, with the same ease. The only difficulty was that of ascertaining their precise quantity and quality. For this purpose it would be necessary both to weigh and assay them. But as the process of weighing and assaying each piece of metal every time it was taken in exchange would have been an endless one, wholly destructive of all the convenience to be derived from its use as money, it seems to have been very soon discovered that the government of every country, in order to prevent imposition as to their weight or quality, should affix a certain *stamp* on the bits of metal to be employed as money, indicative of its quantity and fineness; at the same time prohibiting by law the issue, or *mintage*, as it is called, of money by private individuals, punishing the imposition on the public of *false* money, when detected, by the heaviest penalties. So stamped, money is called *coin*; and on the faith of this government stamp, and the laws by which its imitation is prohibited, coined money passes current by tale, without the troublesome process of weighing or assaying. It is in this form that the precious metals, gold and silver, have become the universal *measure of the value* of other commodities, and the principal instrument or *medium for their exchange*.

But we have already mentioned the existence and general use of another medium for conducting exchanges besides money of *intrinsic* value;

namely, Credit, or the confidence placed by one individual in the *engagement* of another to pay him at a certain time a certain quantity of goods or money. This mode of conducting exchanges has one great and evident advantage over the use of money, namely, that it saves individuals the necessity of keeping by them a stock of an expensive commodity, for no other purposes than that which their credit, if unquestionable, would answer equally well. On the other hand, the drawback to the use of credit, as a medium of exchange, is its *insecurity*. Every one may know in the circle of his neighbours and acquaintance, individuals whom, from their character for rectitude and honesty, he would trust, to any extent, 'with untold gold;' but, unfortunately, our moral nature is by no means so perfect as to admit of such confidence being universal, or any thing like it. In order, therefore, to prevent, as far as possible, frauds upon the over-credulous, it has been found necessary, in all countries, for the government to enforce by laws the fulfilment of engagements—a necessity parallel to that which led, as just explained, to the laws for regulating the coinage of money. Supported by this guarantee, credit has performed its part as an instrument of exchange in all ages and countries where commerce has made any progress, and that to an extent seldom perhaps fully recognized by writers on these subjects. Because the precious metals, coined or uncoined, have been almost always and everywhere employed as the *measure of value*, they have been hastily concluded to have been likewise the principal, if not the only, *instrument*

of exchange. But these two things are perfectly distinct, and a very little examination would suffice to convince us that the employment of credit in commerce, as a medium of exchange, has been very considerably underrated—that it has always carried on a much larger amount of business than money, and indeed that, without it, commerce could have made but very little progress, cramped and fettered as it would have been by the disadvantages incident to the use of metallic money, which is, in truth, only a somewhat superior kind of *barter*.

This inquiry, however, may be better reserved for a future occasion. I will only mention here three facts, illustrative of the vastly superior extent to which in commercial countries credit is necessarily employed as an instrument of exchange, beyond *real* or *metallic* money. These are, first, that the entire commerce of Scotland, foreign and domestic, is carried on without the practical use of a single gold piece. Secondly, that, at the banker's clearing-house in London, exchange transactions are *daily* settled to the extent of five millions sterling—on some days of *thirteen* millions—without the intervention of any coin whatever, and by the employment of a floating balance of only about 200,000*l.* in Bank of England notes, themselves merely representing the *credit* of that establishment. Thirdly, that there is at every moment in existence an aggregate mass of transferable credit in the shape of book debts, foreign and inland bills of exchange, mortgages, annuities, and other monied liabilities, including the great national debt itself, to an extent, as regards

the whole empire, certainly of *several thousand millions* in value, the whole of which is strictly in continual employment as a medium of exchange—an instrument, that is, whereby one individual obtains possession by consent of the produce or property of another;—while the amount of real or metallic money circulating through the same countries does not perhaps exceed thirty millions, and might probably, *as in Scotland, be dispensed with altogether*, without affecting in the least the extent of this prodigious mass of transactions *on credit*.

CHAPTER V.

Wages—Ample and continually increasing Wages secured to Labourers by the principles of Free Labour and Free Exchange—Inequality of Wages in different employments, and of different individuals—Ability, even of the lowest class, increases, and its reward ought to rise proportionately, with the progress of civilization.

HOWEVER directed, the motive to labour, freely exercised, must always be the result accruing to the labourer. This is technically called his *wages*. And since the more productive labour is rendered by the subdivision of employments and facilitation of exchanges we have been describing, the greater must be the aggregate quantity of the good things of life produced, it seems self-evident that the share falling to the lot of each individual labourer, as his recompense or wages, ought to be proportionately augmented. That it will be so, seems equally obvious, if the several labourers and the several owners of the elements of production are left free to settle terms with each other, whence there must result a fair adjustment of their relative claims on the joint produce. The great principles, in short, of *free labour, and free disposal of its produce*, would seem amply sufficient to secure an equitable distribution of property among the several classes who contribute to its creation.

And this we believe to be an unquestionable truth. Under institutions securing freedom in

the direction of labour, and in the enjoyment, disposal, and consequently *exchange* of its products in the home or foreign markets, the products of industry will divide themselves spontaneously in the most equitable manner among the several classes whose labour or property co-operates in any way in their production; and the benefits they thence derive will so stimulate the exertions of the several classes of producers, as to cause a continued cumulative increase, not merely in the wealth of the society so organized, but also in the share of that wealth falling to the lot of any individual member. We believe that if, in some societies which have reached a highly artificial and complicated state, this, its natural and legitimate consequence, has not always followed every improvement in the division of labour and facilitation of exchanges,—it must necessarily be owing, and can in every case, by some little attention, be traced to the interference of erroneous institutions with these simple natural principles of production and distribution,—an interference adopted sometimes, perhaps, in ignorance of its mischievous effects to the community at large, but generally with more or less of a fraudulent intention of diverting the produce of industry into other hands than those into which the just system of free labour and free exchange would distribute it. On such interferences, and the means whereby their ill effects can be most safely and speedily corrected, we shall have the opportunity of dwelling more at length hereafter.

But under a system of free exchange the recompense (wages) of every labourer will be by no

means equal ; nor even exactly proportioned to the severity or duration of his employment. It must be determined by the *value* of his produce in the market. And this will increase in proportion to the talent, skill, and application of the labourer, or any other circumstances which may render his labour more *productive* than that of another. A man whose natural powers of body or mind enable him to contribute more efficiently to the general work of production than another, may equitably expect, and will, under the system of free exchange, receive a larger share of the gross general produce. The same is true of one who by advantages of education or continued application, has acquired a superior degree of skill or knowledge in any of the arts of industry. And the increased reward thus obtained by increased productiveness, is the motive and necessary stimulus to those efforts for rendering labour more productive, which have carried mankind forward from the savage to the civilized state, and can alone be depended upon for inciting him to yet further advances. Every attempt to equalize the wages of different employments or individuals by compulsory arrangements has the certain effect of damping the ardour of industry, putting a stop to improvement, and checking the march of production.

The powers of an individual to produce, or co-operate in the production of wealth, may be called his *ability*. The lowest degree of ability consists of the rude, unskilled, untutored, muscular powers of the human frame. The great body of labourers in all countries are possessed of little more than this inferior ability. But the recompense (wages)

of this lowest class of labourers, varies, notwithstanding, very much in different countries. In a savage state of society, for example, mere human strength can do but little, for want of tools with which to work, and instructions how to employ them. By practice, and the exercise of his native ingenuity in contriving expedients and fabricating instruments, a clever savage may increase the productiveness, and consequently the reward of his labour far beyond that of his companions; but even under the most favorable circumstances, his exertions will not be near so productive as those of the most stupid clown in a civilized country, armed with the instruments which the accumulated ingenuity of ages has contrived, and applying them, however mechanically, after those methods which the stored wisdom of others has proved to be most efficient. On this account the inferior degrees of ability will obtain far higher wages in a highly advanced, than in the earlier stages of society. The produce of the daily labour of an English ploughman, shepherd, or common mechanic, is at present probably three times as much as that of the similar classes of labourers in the time of Elizabeth, and six times as much as at the period of the conquest. If their wages, or the amount of the necessaries and conveniences of life which they obtain in return for their labour, have not increased quite in the same proportion, it must be in consequence of the faulty direction given to the distribution of the produce of labour by the artificial circumstances to which we have already alluded, and which we shall hereafter explain. In the same way the productiveness of an English day-labourer

is perhaps twice as great as that of a Frenchman, four times that of a Russian, and six or eight times that of a Hindoo. His wages ought therefore to be proportionate, and probably would be so under an equitable system of economical policy.

The reward of the industry of the higher classes of labourers will in the same manner rise with its productiveness. An artisan of superior natural abilities, who has had the advantage of the instructions of a master in some peculiar business, and has applied himself assiduously to acquire the manual dexterity and the practical arts of his trade, has gained a degree of ability, which, as contributing much more largely than that of an inferior workman to the marketable means of enjoyment, is enabled to command in the market a proportionately larger share of the general stock. The wages, or *market value*, of personal ability of any kind, will depend partly on the degree of study or application and the expenditure of time required on the average to produce it. But it is, moreover, influenced in a great degree by *monopoly*, i. e. the more or less exclusive possession of ability of any description, whether consisting in secret processes, the *craft* and *mystery* of particular trades, or of peculiar qualifications, natural, or acquired under more or less extraordinary combinations of circumstances. It is the *rarity* of particular kinds of talent that confers the greater part of their value upon them. The average wages of fiddlers is perhaps, taking into consideration the time spent in acquiring the art, little more than that of ploughmen; but when the combination of rare genius with equally rare assiduity creates a Paganini, he

is able to command almost any price in return for his exertions. There occurs but one Lawrence in a century, and this it is which enables such an artist to put a value on his productions, perhaps a hundred times what an ordinary dauber is happy to get for the same quantity of paint, canvass, time and trouble.

But the possessor of superior ability, in any line of industry, is not only enabled to put a monopoly value on the produce of his labour directly exerted, he has it likewise in his power to communicate to others, by instruction, his own superior qualifications; and whilst he requires, of course, payment from them in exchange for these instructions, he puts it in their power to obtain in turn a proportionately high recompense for their industry in consideration of its comparative rarity. The value of such instructions is sometimes heightened by the communication of secret processes, which give to their possessor a decided advantage over his competitors in the same line of art. In general, however, it consists in the communication of a variety of delicate and difficult manipulations; such as can only be learnt by actual exhibition and repeated experiment under the eye and tuition of an experienced master*. The high premiums of apprentice-

* A remarkable instance in proof of the necessity of personal instruction in some of the useful arts, was related by Mr. Ostler, a manufacturer of glass beads and other toys, to the Committee of the House of Commons on artizans and machinery; and is quoted in Mr. Babbage's valuable work on the Economy of Manufactures. Mr. Ostler, it seems, had received some years since, an order for upwards of five hundred pounds worth of *doll's eyes*. But notwithstanding his having some of the most ingenious glass toy-makers in the

ship taken by those who are engaged in the superior departments of the useful and ornamental arts, arise chiefly from this source; and the proportionately high wages that are earned by journeymen or masters in these several callings follow necessarily from the expensive course of instruction they have undergone, the assiduity with which they have endeavoured to perfect themselves in their art, and the more or less rare excellence to which by these means, aided perhaps by superior natural abilities, they have attained in its practice.

In this way the skill or acquired ability of one man is handed down from father to son, or from master to pupil, through successive stages, accumulating as it passes on by the added improvements of its various possessors. But as every pupil or

kingdom in his service, he could not succeed in making the article, and was obliged to renounce the order. "About eight months ago," he continues, "I accidentally met with a poor fellow who had impoverished himself by drinking, and who was dying in a consumption, in a state of great want. I showed him ten sovereigns; and he said he would instruct me in the process. He was in such a state that he could not bear the effluvia of his own lamp; but though I was very conversant with the manual part of the business, and it related to things I was daily in the habit of seeing, I felt I could do nothing from his description. (I mention this to show how difficult it is to convey by description the mode of working.) He took me into his garret, where the poor fellow had economised to such a degree, that he actually used the entrails and fat of poultry from Leadenhall market, to save oil, (the price of the article having been latterly so much reduced by competition at home.) In an instant, before I had seen him make three, I felt competent to make a gross; and the difference between his mode and that of my own workmen was so trifling, that I felt the utmost astonishment."

apprentice is enabled to instruct a considerable number of others, there is a constant tendency in every improved process or secret to spread through a wider circle. There are, moreover, many processes of art which can be communicated by written directions, without personal exhibition; and these, sooner or later, get wind and become disseminated very extensively wherever the blessing of a press, more especially a *free* press, exists. Once committed to printing, a receipt or peculiar process travels in all directions, not only through the country where it was invented, but many others likewise, and is handed down, with little or no chance of loss, to distant ages and generations. It is to the splendid inventions of letters and printing that we owe the rapidity with which the process of mutual instruction in the productive arts is now daily increasing the wealth of modern societies. Without their aid, example and precept might hand down some improvements in *human ability*; but they would be subject to frequent loss and destruction; and the intercourse of minds must, under such circumstances, be slow, torpid, and unfruitful of those inventions which are now rapidly augmenting the efficiency of skill and industry, and multiplying the aggregate of production, in countries blest with just and free institutions, where every valuable piece of information is allowed to circulate with unlimited freedom.

These are the things that constitute 'useful knowledge.' The vast superiority in the productiveness of a Watt, an Arkwright, or a Wedgwood, over that of a clever savage, is almost entirely owing to the influence of accumulated ability

of this nature stored up in *books*, and operating in the development of intellectual powers, which would otherwise have remained dormant and useless towards either the enrichment of the individual, or, as in the case of the three great men we have named, the lasting benefit of the whole human race. Such wonderful inventions, when thus proclaimed to the world, become public property, a gratuitous addition of vast amount to the *ability* of all present and future labourers in the peculiar arts to which they are applicable.

It may, it is true, be long before the Calmucs or Chinese avail themselves of the increased power such inventions put at their disposal, but in the mean time even these distant nations profit from them through the greater cheapness of the commodities with which they are supplied, by the growing ability of Europeans. And we, too, in the mean time are improving even upon these inventions far more rapidly than other nations can adopt them; so that the superiority we have once obtained over them is continually increasing rather than diminishing. When we come to trace the principle and effects of foreign commerce, we shall be able to show how futile are the fears entertained by some, of our being shortly left behind in the race of industry by other nations, or losing the pre-eminence this country has acquired in productiveness over every other on the face of the globe.

We have hitherto spoken of wages, (real wages,) in the sense of the quantity of the necessaries and conveniences which the labourer can command in the market in exchange for his services. Such appears to be the most correct meaning of the

expression. But in common language, wages is generally understood as referring to the sum in money (money-wages) which the labourer obtains. These two meanings are, of course, very distinct. The money-wages of a labourer may rise, whilst the quantity of necessities and comforts he can obtain in exchange for them, and upon which alone his condition in fact depends, is decreasing. This was notoriously the case in Britain in the early part of the present century, when owing to a succession of bad harvests, the money-price of necessities reached an exorbitant elevation; and though the money-wages of nearly every class of labourers rose likewise, their purchasing power was greatly lessened; so much so indeed, that the inadequacy of the current wages of agricultural labour to maintain a family was the cause of their being then, for the first time, *supplemented* out of the parish rate in the southern counties of England,—a baneful practice, for the adoption of which, if there were any excuse as a measure of temporary expediency at that moment, there can be at least none for its continuance in the present day, when experience has so fatally proved its mischievous effects on the morals, habits, and circumstances of our peasantry—when it has been universally recognized as equally unjustifiable in principle and in law.

Enough has been said to shew, that in a country which has already made a great progress in the arts of production, and is still daily improving upon them, the remuneration for labour, even of the lowest kind, *ought* to be considerable, as compared with earlier periods, and ought, likewise, always to

be on the increase; never, unless locally and temporarily, to fall off in its amount.

If, therefore, in such a country, the wages of the mass of labourers are at any time not sufficient to command for them a competence of the necessities and comforts of life,—if wages are found during periods of considerable duration, through extensive districts, and in a variety of occupations, to decrease in amount instead of advancing, we may rest assured that such a state of things *can* only be the result of a faulty arrangement of the political institutions which determine the distribution of the produce of industry. And the study of the naturally just and equitable principles on which such institutions ought to have been modelled—and when proved to be in fault, ought to be corrected—becomes one of the most important and interesting subjects of inquiry to which the attention of any reasonable friend to humanity can be addressed.

Before, however, we can prosecute our researches into the nature of such errors and the mode of correcting them, we must first examine the other elements which co-operate with labour in the great business of production; and the owners of which have, of course, an equal right with the labourers to share in the joint produce.

These are, as we have seen, *Land* and *Capital*.

CHAPTER VI.

Land—Its appropriation essential to Production—History and causes of its appropriation in different ages and countries—In the East by the Sovereign—In Europe by the Aristocracy—In America by the People.—Influence of these different systems on Production and National Welfare.—Natural Laws of Property in.

POLITICAL Economists, we have said, following the example of lawyers, comprehend under the term *land*, when speaking of it as the sole original source of wealth, all the natural powers of the surface of the globe which can be made available for the use of man, including, together with its soils, mines, quarries, and waters, the animals and vegetables found thereon in a wild state.

These gifts of Nature, our common mother, are poured forth in all but infinite profusion upon the face of the teeming earth, for the common use of mankind. But in order to avail himself of them for his various purposes, man must, as has been shown, appropriate them by his labour; and, having done so, he acquires an equitable title to their possession founded on the labour he has expended in their appropriation. If fruit grew spontaneously on herb or tree, in sufficient abundance to supply the wants of all, the labour of gathering it would be all that were necessary to give an individual an equitable property in fruit. With the fish of the sea, and many of the fowls of the air, and some wild animals, this rule indeed holds good in law at the present day, even in countries where society has in many respects attained a most arti-

ficial and complicated condition.* But of the fruits of the earth, and the animals most fitted for food, there is no such spontaneous abundance; and in order to ensure the production of a sufficiency of these for the wants of man, it is necessary that much pains should be taken by some one,—that the soil be inclosed with fences to prevent the ravages of wandering animals, broken up by tillage, planted and sown with the fitting vegetables, and the growing crops protected, as well as gathered. Now no one, it is plain, would take the trouble to inclose and cultivate a piece of ground, and plant or sow it several months, perhaps years, before the crop can be fit to gather,—unless he were secured (so far at least as human confidence can be secured) in the exclusive privilege of gathering and appropriating the fruits of his labour when ready for use. And the same may be said of the land employed for breeding, rearing, and fattening domestic animals. For this simple reason, it becomes absolutely necessary in order to admit of the production of artificial crops or stocks of cattle, to secure in the strongest possible manner a *property in land* to him who incloses and cultivates it, or in any way renders it productive. And this necessity has been perceived and acted on throughout all the known and cultivated regions of the globe, though under a great variety of

* Our law maxims with regard to fish, game, and such things as are '*feræ naturæ*,' assert that they are '*nullius in bonis*,' or no man's goods; and that of them '*Capiat qui capere possit*,' catch who catch can. A qualified property is still to be acquired in these and some other things '*per industriam*.' See *Blackstone*, ii, 391.

modifications in the customs and laws by which the tenure or occupation of the land is regulated.* Some of these modifications afford more, some less, encouragement than others to production. That system is evidently to be preferred which affords the most.

It has, indeed, seldom been sufficiently remarked by those who have studied the nature and causes of national wealth, to what a pre-eminent degree the social and economical condition of a people is influenced by the laws and customs that prevail among them respecting the occupation and ownership of land. There is no exaggeration in the assertion that, by these circumstances *almost alone*, the position of any nation in the scale of civilization is practically determined. Nor will any one be inclined to doubt this, when he adverts to the simple consideration that it is *from the land*, and *the land alone*, that nations derive as well the whole of the *food* on which they are supported, as the raw materials out of which by their industry and ingenuity they elaborate all the other necessities, comforts, and luxuries of life; so that it must entirely depend upon the more or less easy

* The exclusive property in wells appears from Scripture to have been established in the first digger or occupant, even in places where the ground and herbage remained yet in common. See *Blackstone*, ii. c. i. p. 5; who also states, 'It is agreed upon all hands that *occupancy* gave the original right to the permanent property in the substance of the earth, which excludes every one else but the owner from the use of it.' Occupancy by use, that is, full and complete utilization, (if the word is allowable,) must be intended; though *Blackstone* does not clearly express this. It is not probable that any individual would have been allowed to appropriate more land than he could occupy in this sense. *Id.* p. 5.

and equitable terms on which the cultivation of the soil by those who possess the means, is permitted or encouraged by those who own it, whether the production of every kind of wealth be restrained within the narrowest limits, or developed to the utmost extent of which human industry is capable under the most favourable circumstances.

The terms on which the cultivators of the soil are admitted to its occupation vary materially in different parts of the globe; and a review of these different customs and of their effects during a series of ages, as unfolded both in history and from recent observation, exhibiting their respective merits and defects, and the influence they severally exercise over the moral, economical, and political condition of the countries in which they prevail, would in itself be a work of great interest. The space we can afford to this branch of our subject, perhaps the most important division of the whole field of inquiry which is subjected to the social economist, is less than it deserves, but we will endeavour to compress all the prominent points into a manageable compass.

The natural and equitable title to property in land which arises from its appropriation 'per industriam,' by the labour necessary to render it productive, must always have required the sanction and support of the law,—that is to say, of whatever supreme authority was set up in a state for the purpose of securing the common welfare by restraining individual rapacity. But power, once established, seldom contents itself with promoting the legitimate objects of its appointment. '*Quis custodiet ipsos custodes?*' Those who were en-

trusted with the regulation of the terms on which the land of a country with all its natural productions might be appropriated, have very naturally availed themselves of this authority, when they could, to appropriate as much as possible of it, or of its produce, to themselves.

The origin of the peculiar political institutions of most nations is buried in considerable obscurity. It has even been disputed which of the two great principles of government is the most ancient and natural, the *despotic*,—under which one claims a right to supreme power over the many,—or the *free*, under which the many claim the right to be governed only by officers of their own choice. But it is so perfectly obvious that one individual can never have acquired power over a numerous society except with the consent of the majority,—or, at least, of an overwhelming body of supporters, that the question of priority does not appear to us to admit of a doubt. It is, however, of little moment. Referring to fact, we find that the earliest authentic accounts we possess of human societies generally agree in describing their infant condition as one of great simplicity, very similar to that of most savage tribes at the present day, in which, while the *rights* of each individual, at least of each full grown male, are considered equal, a power is lodged, by common consent, in some officer or body of officers, to make and enforce the laws necessary for the general welfare. Among hunting tribes, the personal activity requisite for the support of each individual, and the state of constant warfare in which they necessarily lived,—through the unavoidable conflict of neighbouring tribes for

their hunting-grounds as game became scarce, and even occasionally of individuals for their prey—must have rendered every male a warrior, and might enable him, if he chose, to claim and exercise an equal share of power. Yet, if we are to judge by the analogy of modern instances, the authority of chiefs and elder warriors—an authority obtained partly by superior strength and activity, partly by superior sagacity and experience—would, even in such a state of society, be generally recognized. But as men settled down into pastoral and agricultural occupations, and the division of labour commenced, the duty of protecting the society from external aggression would naturally be confided to a class selected for this purpose; and, in like manner, the business of making and executing the laws necessary for the common good would be entrusted to another body of functionaries. The most experienced elders would be probably chosen for the latter purpose; the most vigorous, active, and energetic in middle life, for the former. Now *subordination* and *obedience* are the essentials of military success. To be effective, therefore, every army must have had its leaders. Unfortunately, the command of an army too often confers a power not only of repelling foreign aggression, but of securing domestic domination. A successful general, whom his soldiers, trained to military duty, have been long accustomed implicitly and unhesitatingly to obey, is enabled, if he chooses, to put down all other authority, and establish his will as sole law throughout the country of which he was chosen, and still, perhaps, affects to consider himself the protector.

Such an usurpation is as easy as it is probable, under the circumstances of strong temptation in which military leaders are often placed. And these tricks have, in fact, full often 'been played before high heaven;'—so often, as almost to justify the ostracising jealousy of the classical republics. History proves that all absolute governments, of which the origin is recorded, commenced in some circumstance of this character, which may be considered as the natural generation of despotism.

Wherever despotic power exists, whether the result of domestic treachery or foreign invasion, there property, as well in land, as of all other kind,—and even life itself—is, of course, held only at the will of the ruler. And, accordingly, we find in countries which appear to have been subjected to this form of government, that the exclusive proprietorship of the land, as the primary source of all wealth, has been claimed by the sovereign.

In some parts of the world this claim has been practically exercised up to the present day,—in others but nominally; the usufruct of the soil having been transferred by grant of the sovereign to inferior holders, and his claim continued, perhaps, only in some mere formality, itself often obsolete and disregarded. Throughout all Asia, from China to Turkey, (excepting only the Russian provinces,) the revenue of the ruler is still, and always has been, raised from the cultivators of the soil by a sort of land tax, consisting of a proportion of the produce, which varies, as may naturally be imagined, with the tyranny or mildness of the reigning sovereign, and the greater or less powers of exaction with which the intermediate collectors

are armed. The cultivator is by some persons considered to be, throughout this large portion of the globe, the *legal owner* of his plot of land. And indeed he has some of the supposed characteristics of ownership, since he is empowered, in general, to mortgage, sell, or alienate it, and that it descends at his decease, if not otherwise disposed of, in equal portions to his heirs. There is, however, an almost infinite variety in the local customs which determine this tenure; every petty province having some minute peculiarity. And it is even yet a matter of dispute among writers who have deeply studied the institutions of our Indian empire, which of the three parties who have everywhere a joint interest in the land, the peasant-cultivator (or *ryot*), the tax-collector (or *zemindar*), and the sovereign, is its real legitimate proprietor. In practice, each has a lien upon its produce, and to that extent each may be reckoned its owner. The tax-collector, like the *ryot*, has an hereditary and transferable interest in his post, which brings him a revenue in a per centage of the sum he collects from the *ryots* for the sovereign.

The question would perhaps have offered fewer difficulties, had due attention been paid to the simple principles on which land is originally appropriated from a state of waste, by the industry of the labourer, and *subsequently* when it has become, through his agency, a valuable possession, seized on as their property by any party sufficiently powerful to support such a claim. The ancient institutions of the Hindoos, which have scarcely varied during four thousand years, strongly illustrate and confirm what we have already urged on this point.

The Institutes of Menu, a work of immense antiquity, expressly declare that 'cultivated land is the property of him who cut away the wood, or who cleared and tilled it.' And indeed if this rule did not follow from the most obvious principles of natural justice, its policy, as encouraging the improvement and cultivation of waste land in a new and little occupied country, would lead to its enactment even under the most unnatural and barbarous tyranny.* But every society must have a government of some sort for its protection from domestic anarchy and external attack; and a government necessitates a general contribution or taxation for its support, which in an early and agricultural state can only be raised off the land. Hence a certain proportion of the produce of the soil has been almost everywhere required for this purpose from its cultivators. In ancient Egypt, one-fifth of the crops was so taken. Among the Jews, a tenth; and in the Grecian likewise and Roman states a similar proportion was the contri-

* In Persia, where, from the peculiar nature of the soil, a very expensive system of artificial irrigation by means of wells is absolutely necessary for the production of crops, the ancient and inalterable law confers on the person who so digs such wells the perpetual ownership of the land fertilized by him, (with the sole reservation of the quit-rent or tax of one-fifth of the produce to the Shah;) and so necessary is the inviolability of this rule felt to be, for securing a due supply of food in the country, that throughout the scenes of anarchy, rapine, and licentiousness of which Persia has been so often the theatre, property of this character has been invariably respected. In the same manner, as we find from the Holy Scriptures, in the very earliest ages a well in the desert was held to be the property of him who dug it, and of his descendants for ever.

bution generally required for the use of the state. In Persia, a fifth; in Hindostan, from one-eighth to one-seventeenth appears to have been levied in the earliest ages. In the Institutes of Menu the sovereign is expressly permitted to double this tax, raising it to one-fourth, *during war*. Such was the tax paid to Porus when Alexander invaded him.

Whether this latter regulation acted among sovereigns as a premium on war, or not, it is but too notorious that the Eastern world has very rarely enjoyed the blessings of peace. And in the convulsed and desolating state which almost perpetual warfare induces, amid alternating invasions, revolts, conspiracies, and conquests, it may be easily imagined how, through all these phases, the poor cultivator, whom, after all, the rival factions were but contending for the power of plundering, was ground to the earth by continued exactions, and could profit little by the barren honour, even if it were conceded to him, of a nominal ownership in the soil. Its produce, when cultivated by his toil, was sure to be claimed by some party or other,—the temporary sovereign, or his subordinate chieftains. The ryot might esteem himself fortunate who was allowed to preserve his life and a bare sufficiency for its maintenance, as the requital of his toil. The question, therefore, as to whether the Asiatic ryot, the zemindar, or the sovereign, is the legal owner of the soil, seems to us susceptible of a very simple solution. Throughout the East, the *will* of the sovereign has always been law—so that to hold land by that will was to hold it by law. It is only when law acquires a power above that of the so-

vereign that private property in its true sense can be said to exist. We must not ask then, with regard to Asia, what is the law, but what is the custom and the fact; and the answer is, that the necessity of affording to the peasant-cultivator some guarantee for his continued occupation of the soil he ploughs and sows, in order to induce him to plough and sow it, has compelled the Asiatic despots to allow him a partial and limited proprietorship; that is to say, they have permitted him and his descendants to occupy and cultivate his spot of ground on condition of paying whatever proportion of its produce the sovereign chooses directly, or through his officers, to exact. And he has seldom, or never, been content to take less than could by threat, torture, or violence, be squeezed from the miserable cultivator, leaving him a most inadequate subsistence. The cultivator is, then, in law, custom, and fact, the slave of his sovereign,* and his property is wholly at the command of the latter. If, therefore, as seems presumable, the *owner* of land can only be defined as one who has the right of profiting by whatever circumstances may improve the value of his land; the ryot has been always considered, *in theory*, the landowner,—never *in practice*. He was continually promised this right by sovereigns or their collectors, who wished to tempt him to improve his land; but who, so soon as it was improved, raised

* He is punishable with stripes if he neglect to cultivate duly his land—his pretended property. He is, therefore, not even master of his own limbs and actions, but essentially a *slave*.

their demands on him in proportion, so as to leave him none of the benefit.

The Asiatic system is evidently a compromise between the usurped and unlimited power of the despot, and the ancient and natural privilege of private property as the result of appropriation by private labour;—a concession extorted from the chief by the necessity of persuading his people to exercise their industry, lest he should prove, like Sultan Mahmoud, in the Arabian Nights, a ruler only over owls and ruins, barren plains and dead carcasses.

Even under our comparatively mild and peaceful sway it is to be feared that the peasant-cultivators of our Eastern empire have suffered severely from the weight of direct taxation imposed upon them, and the exactions of the intermediate parties who are intrusted with the collection of the revenue from the poor ryot.

There is nothing necessarily mischievous in the *theory* of the Eastern forms of land occupation. On the contrary, it approximates to that which we consider the most natural, equitable, and beneficial arrangement,—namely, the securing a permanent property in the land to him who renders it productive, and to his heirs, subject only to a payment to the state proportioned to the value of the produce, for the purpose of defraying the expenses necessary for the protection of this and other property. The misery suffered by the land-cultivators of Asia and the wretched state of their agriculture are a consequence not of the original rule of the country, but of its continual infraction. It is their exposure to the desolating violence of almost per-

petual warfare, the insatiate tyranny of despotic power, and the extortionate rapacity of its minions, that have dried up the naturally abundant sources of production throughout Asia, repressed industry, and prevented the acquisition of skill or capital by its miserable and degraded cultivators. Had there existed in India any defined legal rights—any power beyond the mere arbitrary caprice of an individual, by which the demands of the state upon the cultivators could have been so far restrained as to leave the latter the power of bettering their condition by their industry, the vast quantity of waste but exuberantly fertile land in that country, and the luxuriance of its climate, would have admitted of an increase of production which must have raised the prosperity of the natives and the resources of the government to an almost incalculable extent. The regulations which, with the most humane intentions, have been lately enforced for securing to the ryots the legal ownership of their land, and permanently fixing the proportion of their contribution to the state, are likely in no long time to change the entire face of the country, and benefit all parties in an extraordinary degree.*

The remarks we have been led to make at some length on the systems of land occupation in the East will enable us to understand the more easily the origin and real character of those which prevail in Europe and the western states of the civi-

* Mr. Jones's work 'On the Distribution of Wealth' contains in its Appendix some valuable information from Col. Tod's Rajast'han and other sources, upon the interesting topic of the land-tenure of our Indian possessions.

lized globe. Through all their vicissitudes of peace and warfare, the institutions of the Orientals have experienced little change; remaining, like their manners and customs, almost identically the same in the present day as we know them to have been, from authentic records, twenty centuries at least before Christ. Not so those of the nations of Europe. The latter, whether from an inherent difference in their organization, or from fortuitous circumstances, have passed through a process of more or less gradual change in their habits, social arrangements, and national character;—a change which, though fluctuating occasionally from good to ill, may, we hope, be characterized generally as a progressive amelioration, and may be looked upon as opening to the speculative philanthropist the cheering prospect of a further indefinite, but continual, improvement in the general condition of mankind at large, over whose history Europe, the heart of civilization, seems destined to exercise so mighty an influence.

In Europe, as in Asia, when a military chief had, by usurpation, conquest, or consent, acquired absolute power, the entire soil of the country, as well as the lives of its inhabitants, would, we might suppose, be considered his property, to be dealt with at his will and pleasure. This, however, does not appear to have been the case; and we have, therefore, to account for the circumstance, that while in Asia absolute despotism has flourished everywhere down to the present day, and the sovereign can still command the entire produce of the land and labour of the community,—

in Europe, on the contrary, the power of a conqueror or chieftain has always been more or less limited, and his claim to the exclusive property of the soil restricted to a mere nominal title.

The solution of the problem is to be sought in the same circumstance which has tempered the power of the sovereign in other respects as well as in his claim to the ownership of the land,—namely, the continual existence of an hereditary *aristocracy*, or intermediate class of powerful individuals between the throne and the mass of the people. Such a class has never shown itself in Asia. There the officers of state, nobles, and inferior authorities, derived their power, wealth, and importance, from the sovereign alone, who made and unmade them at his pleasure, and never permitted them to acquire sufficient strength and consistency to claim any privileges from a source independent of his will. It is an interesting question, what occasioned the existence of such a class in Europe and their absence in Asia? There must have been some general predisposing cause, or so broad and universal a distinction could scarcely have grown up and permanently rooted itself throughout two extensive continents.

It appears to us that the origin of this important distinction is to be looked for in the peculiar occupations of the primitive settlers who were the ancestors of the people of the north of Europe. The Scythian hordes, whose overflowing increase seems to have been continually drafted off in a westerly direction, were originally *pastoral* tribes, led to adopt that mode of life by the peculiar

character of the elevated, open, and wide-spreading grass-plains they occupied in Tartary, Persia, Arabia, and the Russias, European and Asiatic. The inhabitants of southern and eastern Asia were, from the same cause, viz. the superficial nature of their territory, which consisted of deep and rich alluvial soils, devoted to agriculture. Now in an agricultural territory, as we have already observed, a successful invader or usurper has no difficulty in establishing and securing the power of a despotic sovereign, and enforcing a claim of absolute right over the land, persons, and property of all his subjects. Such a ruler, as has also been noticed, would naturally find his advantage in permitting the agricultural population to continue their cultivation of the soil in any way they chose, and to extend it to any hitherto untilled spot they pleased, on condition of their paying him whatever portion of their crops he might choose to demand; which portion would, of course, usually be all that could be wrung from them without absolutely forcing them to discontinue their labours. Hence the ryot system of the Asiatics.

But pastoral and nomad tribes, on the contrary, are with difficulty reduced to such prostrate subjection. Their wandering habits naturally imbue them with a love of freedom, and a spirit and vigour with which to assert their independence. And they possess, moreover, an easy resource, in the power of escape by migration from any attempt to enslave them. Whether such attempts occasioned the migrations of the successive swarms which, first passing from Asia into the north of Europe, afterwards deluged the entire surface of

the latter continent,—or that they were owing, as is more probable, to the multiplication of numbers and the want of room, to which pastoral nations are so soon exposed,—it is certain, from all the accounts remaining to us of these tribes, that they enjoyed a degree of freedom scarcely compatible with the subordination necessary for the maintenance of the social union in a settled agricultural state. What difference of rank or property subsisted among them was of that nature only which still prevails among nomad tribes, each of which recognizes a chief, with perhaps a few subordinate officers; and in which an inferior class of slaves are sometimes found, consisting of captives taken in war;—the remaining freemen being their own masters, and on a perfect footing of equality, after arriving at a mature age. Such were the German tribes in the time of Tacitus; the chase and pasturage their chief sources of subsistence; without cities, or even contiguous dwellings; occupying the land in common; obeying chiefs elected out of particular families; and having some few subordinate distinctions of military rank. Such too were the barbarians who, three centuries after the Christian era, overran the entire Roman empire, and settled themselves as conquerors in every corner of western Europe. They are described by cotemporary writers as great bodies of armed men, with their wives, children, *slaves*, and *flocks*, migrating in quest of new settlements, which they wrested by their barbarian vigour from the effeminate and degenerate Romans. The lands they had conquered were probably divided equally among the free

warriors, the chief retaining the largest share, and were cultivated principally by their slaves. But, as they in turn adopted some of the habits of the people they had dispossessed, fixed themselves in particular spots, began to occupy themselves in agriculture, and to build permanent habitations, they became more exposed to the domination of their military chieftains. During the turbulent middle ages these several clans were incessantly engaged in mutual warfare under their respective leaders; and the authority which, in a state so circumstanced, the chief necessarily exercised over his body of military companions, was recompensed by a division among them of the lands he, with their aid, wrested from their neighbours. There existed at that time little wealth of a portable nature, and the reward, therefore, of military service could only be a share of the land which the chieftain's conquests enabled him to command. These lands, cultivated by the slaves taken in war, could easily be made a source of wealth. And such grants, when they escaped the grasp of a still stronger tyrant or invader, were allowed to become hereditary, *on condition* of the continuance of the same military services in consideration of which they were originally bestowed. In this manner grew up a distinction between *allodial* lands, or those which belonged to freemen, (the descendants, probably, of the original free invaders among whom the land was partitioned upon their first migratory settlement on it,) and the lands held by *feudal* tenure of a military chief, on condition of military service.

The several chiefs in their turn recognized a

supreme lord or suzerain, under whom they marshalled themselves in expeditions of importance, and from whom they likewise held feudal fiefs granted as a reward for their past, and a gage for their future services, on the same terms as those they divided among their own particular supporters, or *vassals*.

The power of the sovereign, through this graduated chain of dependence, never became absolute in Europe as in Asia. His principal vassals were always more or less independent of him. Each had his own clan, or body of vassals, who looked up to him as their only head, and were ready to obey his orders at any time, whether to act for, or against, his suzerain. And a league of these chieftains could often overawe, and occasionally succeeded in dethroning their sovereign. The entire history of Europe, in fact, is but the narrative of continued struggles between sovereigns and some of their vassal nobles; in which now one, now another party obtained the mastery. Under the immediate successors of Clovis, the Frank conqueror of Gaul, the royal authority was uppermost. But the nobles soon contrived to regain the power which their negligence alone had allowed the sovereign to usurp, and which that of the contemptible kings of the line of Clovis enabled them easily to resume. The chief vassals of the crown succeeded in obtaining a full recognition of their hereditary right to their patrimonial possessions, to which the royal investiture gave more of ornament than sanction. 'From the death of Charlemagne the kingdom of France was a bundle of fiefs, and the king little more than one

of a number of feudal nobles, differing rather in dignity than in power from the rest.*

The independence of the German aristocracy reached its height towards the middle of the thirteenth century. Since that period the sovereigns found it necessary to strengthen themselves against their nobles by calling in the aid of their *people*, and particularly of the commercial and manufacturing towns, which, with this view, they fostered by immunities, privileges, and protection from the extortions of the neighbouring counts and barons. From these elements sprung the political condition of the European states; which, unquestionably, owe what freedom they enjoy to the necessity which drove the sovereign to conciliate the mass of the people, as a counterpoise to a powerful aristocracy.

The land, meantime, was cultivated almost wholly by slaves, who were bred and treated in all respects like cattle. Their numbers were also recruited by the prisoners taken in war, and to a certain extent, in the most turbulent times, by freemen, who were actually driven to enrol themselves among the slaves of powerful chieftains in order to preserve their lives; a petty freeman being a common prey to all parties, whereas the slaves of one chief were of course protected by him from all others. There were some distinctions among slaves—not, however, of much importance. Some were certainly saleable like cattle, and might be severed from the land; others were, by custom, or perhaps in virtue of the original bargain under

* Hallam, i. p. 244.

which they or their ancestors had submitted themselves as slaves to the chief, attached to the soil, (*adscripti glebæ*,) and could only be alienated with it. They derived their subsistence by cultivating for their own use small tracts of land allotted to them by the lord for this purpose, (a cheap contrivance for making them maintain themselves;) and for the remainder of their time they laboured on the *demesne* land, or portion reserved for the lord's own use, the produce of which formed his revenue. Even the kings of France and Lombardy supplied the expenses of their rude courts from their demesne lands. Charlemagne himself was a farmer, and regulated the economy of his farms with the minuteness of a steward.*

Nearly the whole of Europe was at one time cultivated in this manner by slaves, or, as they are generally called, *serfs*. But the labouring classes of the western states have by slow degrees contrived to emancipate themselves from personal bondage, and obtain the invaluable natural right of either working on their own account, or disposing of their services to the highest bidder. Among the northern and eastern nations serfship still prevails; in some, as Russia for example, in its unmitigated form; the owner having almost unlimited power over the persons of his serfs; beating, mutilating, and even putting them to death at his will.

The mode in which the lord in these countries obtains a revenue from his estate is still by employing his serfs to cultivate and manage his

* Hallam, chap. ii. part ii.

demesne lands under a superintendent; each serf having permission, in return for his labour, to maintain himself and his family, by tilling certain portions of land allotted to him for the purpose. Usage has by degrees established for the serfs something like *rights*, which the humane genius of modern law has learnt to respect. Their holdings are considered hereditary; and in many districts the amount of labour which the serf is required to perform for the lord is fixed. Attempts have likewise been made of late years to substitute a better form of land-occupation than serfship under any modifications can ever be; and, by affording the peasant a hope of improving his condition by his own exertions, to stimulate his torpid industry.

The progress of this change from serfship to free tenancy, as it has taken place by slow degrees in the west of Europe, may be illustrated from the example of England. During the Saxon era, predial slavery was universal. Even at the end of the thirteenth century, two hundred years after the occupation of the country by the Normans, a very large proportion of the body of cultivators was still precisely in the condition of the Russian serf. During the next three hundred years, the unlimited amount of labour exacted from the *villeins* (as they were then called) in return for the lands allotted to them, was gradually commuted for definite services, and they acquired a legal right to the hereditary occupation of what were termed their *copyholds*. Two hundred years have scarcely elapsed since the change to this extent became quite universal, or since the per-

sonal bondage of the villeins ceased to exist among us. The last claim of villeinage recorded in our courts was in the fifteenth of James I. 1618. Rare instances, perhaps, existed some time after this. In the mean time the stipulated services silently and imperceptibly ceased to be exacted, or were commuted for annual *money-payments*. Similar changes are now taking place throughout Germany. They are perfected nowhere, and in some large districts exhibit themselves in very backward stages.

The disadvantages of a system of serfship or villeinage are obvious, and are attested by the low state of civilization, the poverty, and imperfect cultivation of the countries in which it prevails. The labour compulsorily exacted from tenants on the grounds or on behoof of their landlords, is sure to be performed in a very slovenly manner. Men do not exert themselves with spirit or effect unless they are working on their own account, and are allowed themselves to reap all the advantages of their superior industry. It has been proved that one Middlesex mower will cut as much grass in a day as three Russian serfs. And the necessary absence under such a system of all improved implements or processes of husbandry, augments the comparative inefficiency of serf-labour. Indolence and carelessness are the habitual characteristics of a peasantry in this condition; their want of skill, means, and energy, must have a disastrous influence on the annual produce of the land and labour of their territory, and tend to keep the country they inhabit in a state of poverty and political feebleness, from which it will

be impossible for it to emerge while so deleterious a system is suffered to prevail. These disadvantages are, in fact, very generally recognized by all the enlightened classes in serf countries, and have given rise to the numerous attempts now going on to substitute payments of produce, or money, in lieu of labour, as the *rent* of land, that is, the conditions upon which the owner allows the cultivator to occupy. The great end in view is, of course, to encourage the industry of the cultivator by placing him in a position to improve his own circumstances, as well as those of his landlord, by increased skill and exertion. For the details of these efforts, and their varied success, we must refer to the valuable work of Mr. Jones.*

The system of serf-cultivation, though formerly common through a very large extent of Europe, was not universally practised. In some countries a different plan has been acted on from a very early period by the landowners, who have accepted from the cultivators of their estates *a share of the produce* as rent. The existence of such a state of things indicates a more advanced condition of society than that which accompanies the serf system. The serf, in fact, is a mere slave, compelled to till his master's land, and cheaply maintained by the permission to cultivate for himself a patch of soil, barely enough to provide himself with subsistence. The *métayer* on the contrary is, in all respects, a voluntary tenant, who enters into a sort of joint-stock partnership with his landlord; the latter finding the land, and the seed,

* Jones on Rent. 1831.

tools, and stock, necessary for its cultivation ; the former the equally necessary labour. The produce is divided between them, generally in equal shares, from which division the name (*métayer*, *medietarius*) is derived. This form of holding is to be traced very clearly to Greece, whence it was introduced among the Romans, and has perpetuated itself, in some degree, in most of the countries which were formerly provinces of that empire ; though partly superseded by that of serfship and villeinage, which, as we have seen, grew up under the feudal system. In Italy, Savoy, France, and Spain, *métayer* tenancy is common, and has a very decided influence on the methods of cultivation, and all those important relations between the different orders of society which originate in the appropriation of the soil and the distribution of its produce. In France, before the revolution, four-sevenths of the whole surface was occupied *en métairie*. Even now, in spite of the multiplication of small proprietors consequent on the revolution, this class of tenants are supposed to cultivate one-half of France, and the greater part of Italy and Spain.

Though the *métayer* has many apparent advantages over the serf, in his personal freedom, and the power he enjoys of cultivating his farm as he pleases, freed from the tyranny and irksome superintendence of the proprietor, yet he is found, in practice, to be very little, if at all, more advantageously situated. It would seem, at first sight, that the reward of his toil, consisting in a definite share of the produce, would increase with his industry and skill, and therefore stimulate him to

exertion. But the shortsighted covetousness of the proprietors has almost everywhere prevented this, by inducing them, when they could not by agreement directly increase their share, to do so indirectly, by throwing the government taxes on the tenant, and claiming for themselves an exemption from all imposts. By this and other similar contrivances, the share of the métayer has been generally so reduced as to leave him but a bare subsistence, and no hope of bettering his condition by any exertion of industry. The métayers of France are described by Turgot before the revolution, and by other writers of the present day, as existing in the depth of misery, always in arrear to their landlord, and consequently entirely at his mercy, from their utter inability even to live upon their half of the produce of their farms. This misery of course reacts injuriously upon their landlords' interests, by giving a careless, slovenly character to their mode of cultivation, and putting anything like energy or a spirit of improvement out of the question.

Again, the divided interest which exists in the produce is a bar to improvement. The tenant is unwilling to listen to the suggestions of his landlord; the landlord to intrust additional means to an ignorant, prejudiced, and careless tenant. When stock is to be advanced by one person and used by another, some waste and neglect in the receiving party, great jealousy and reluctance in the contributing party, naturally ensue. Hence the implements and stock placed at the disposal of the métayers are, in general, very scanty, and of an indifferent quality; and their land on the whole is

very imperfectly cultivated. These disadvantages must continue severely to affect the condition of countries in which this imperfect system of land-occupation prevails. Their agriculture must be exceedingly unproductive, as compared with the capacity of the soil and the amount of labour existing upon it; and since the produce of land forms, as we have seen, the substratum of all other wealth, the production of the aggregate stock of the means of enjoyment must be proportionately slow, languid, and contracted.

Such, with very trifling variations, are the imperfect systems on which land is occupied for the purpose of cultivation throughout the entire continent of Asia, and nearly the whole of Europe. In Great Britain, Holland, and the Netherlands, a different mode has been adopted, to which in a great measure is to be ascribed the extraordinary comparative progress which agriculture has made in this corner of Europe.

At a very early period, as has been already mentioned, the stipulated services of the villeins or manorial tenants in England began to be commuted for annual payments in *money*. About the same time it became not uncommon for the lord to *lease out* for the duration of certain lives, or for a term of years, portions of the manorial waste, upon payment of a money *fine*, to such persons as were desirous and able to reduce it to tillage. As these leases expired, the lands, whose value had increased through the cultivation bestowed on them, were relet for an augmented fine,

or at an annual money-rent; frequently for both. And the lord in time found it much more convenient to lease out in this manner his demesne lands likewise, than to farm them himself through a bailiff. In this manner the greater portion of the land of England came to be occupied by *tenants on lease*. Many small plots were still cultivated by their owners, the *liberi tenentes*, or freeholders, who had acquired them by purchase, or by descent from the freemen and military tenants of the feudal era. Other estates still remained in the hands of the descendants or purchasers from the ancient villeins, holding, as it was called, at the will of the lord by copy of court roll, (the record of such grants.) To the latter tenure custom, and the indulgence of the lords of manors in never resuming the grant, in process of time gave a prescriptive right, recognized by the courts as a valid claim according to the common (or customary) law of the land. But even of these smaller properties, many, when they fell into the hands of minors or women, or were purchased by persons engaged in trade or otherwise, were in their turn leased out to tenants willing to pay their owners a money-rent for their occupation. So that, by degrees, nearly the whole surface of England, as well the small estates of the inferior class of landowners, as the extensive domains of the lords of manors, the nobles, the crown, or the church, came to be cultivated in portions of moderate extent, by tenants who undertook to *farm* these portions on leases for certain terms, stipulating for payment to the owner of an annual rent.

Now it is immediately evident that such a

system of occupation must afford scope for the development of those principles of industry and economy which are implanted in the bosoms of all men, and want but the slightest encouragement to expand and perform their valuable functions. A cultivator, secured by a lease in the possession of all that he can raise off his farm over and above the rent he has stipulated to pay its owner, stands for the term of his occupation in the position of its owner, and is urged by the inducement of direct interest to labour in every possible way to increase the productiveness of his holding. It is to the assiduous *industry* of these leasehold tenants, and the smaller occupying freeholders, that we are indebted for the great advances this country has made in agricultural skill, and for the fertilization of almost every corner of its surface where the plough can enter. To their steady *economy* we owe the accumulated mass of *agricultural capital* which renders the labour of British farmers so greatly more effective than that of the continental cultivators.

The advantages inherent in the leasehold system of occupation would, however, have been ineffectual, but for the protection which the law extended to the tenants from the rapacity of their landlords, and the countenance which the courts of Britain have, with very rare exceptions, at all times liberally afforded to the efforts of the industrious classes of society to emancipate themselves from the thralldom in which they had been bound by the feudal system. On the Continent the worst features of that system remained almost in their integrity up to a very recent epoch, when its bar-

barous customs and unjust inflictions were at length repudiated by a people among whom intelligence had partially penetrated; and the first shock of the French revolution put an end to the absolute power of the great landowners over their peasantry, which had till then been usually exercised with the most arbitrary severity. Perhaps it is to the spirit of independence and love of liberty uniformly inspired by commercial pursuits, that we are to attribute the success which at so much earlier a period attended the efforts of the English, the Dutch, and some other maritime states, to free themselves from the shackles of feudalism and the galling yoke of the landed aristocracy, under which the inhabitants of the more purely agricultural states of the Continent continued, till very lately, to groan. We have already seen that serfship was almost wholly extinguished in England in the time of Elizabeth. While the cultivators of nearly all Europe were abject slaves, subjected to the whip, knot, or gallows of their feudal lords, the merry and stalwart yeomen of England had rights recognized by law, which they well knew, and, 'knowing, dared maintain.' They tilled the fields of proud and wealthy barons, not on such terms as a master imposes on his slave, but on those of free contract for mutual benefit, such as left the lord as much indebted to his tenant, as the tenant to his lord. In gaining this high comparative condition, the cultivators of England were assisted by the sovereign, who felt the advantage of being backed by their honest and hearty loyalty in his disputes with disloyal nobles,—and by the judges of the law-courts appointed by him, them-

selves sprung from the people, and naturally inclined to favour the liberty of the subject. Blackstone truly says that ‘the law of England has always been ready to catch at anything in favour of liberty.’

One other remarkable circumstance contributed to favour the advance of the class of English farmers in wealth and independence, namely, the continued fall in the value of money during the three successive centuries which followed the discovery of America. The abundance of gold and silver flowing from the new world into the old lowered their value, and with them that of money. The sovereigns during the same period frequently resorted to the trick of debasing the coin of the realm, in order to pay their old debts in money of less intrinsic worth. And the consequence was, that leasehold tenants who had contracted at the beginning of a long term of occupation for payment of a fixed annual rent, proportioned in amount to the value of money at that time, profited greatly as its value was subsequently lessened, and the money-price of every produce of their farms proportionately increased. The landowners were, of course, losers in the same proportion. But the nation at large benefited to an extraordinary degree. For had this difference passed into the hands of the landlords, to whom in equity, perhaps, it was due, it would have been *spent* by them as revenue on more sumptuous clothing, furniture, or feasting, and larger trains of menials; whereas in the hands of their tenants it was economized, and accumulated into *capital*, being expended by them in the more vigorous

cultivation of their farms, in bringing fresh lands under culture, in the erection of farm buildings, and other permanent improvements, by which the general productiveness of the national soil was increased.

It is to these combined causes that we must refer the remarkable superiority of the agriculture of Britain over that of the Continent. They resolve themselves into circumstances, more or less casual in their nature, which conferred on the cultivators of land an advantage, which they are always sure to employ to the furtherance of agriculture and the enrichment of the state. Had they not been aided by such adventitious circumstances, had they been left at the discretion of the legal owners of the soil, these latter would, no doubt, have mistaken their real interest, in England, as they have done everywhere else,—in the west as well as in the east,—and by grinding the peasantry to the very earth, exacting from them all the fruits of their labour beyond the barest pittance on which life can be supported, would have put it out of their power to accumulate the stock, and acquire the skill, and exert the energy which were the indispensable elements of that immense improvement in agriculture from which the landlords of England, even though in spite of themselves, have been ultimately the greatest gainers.

Nothing can be more certain than that the interests of the landowners of any country are indissolubly bound up with those of their tenantry and of the community at large. The interest of the state obviously requires that its territory be brought into a state of the utmost possible pro-

ductiveness. But this can only be effected by a body of cultivators possessed of ample capital, and occupying their farms under such conditions as will make it their interest to manage them in the most perfect manner. That the landowner is equally interested in this state of things is convincingly demonstrated by a comparison of the rent of land of equal natural qualities in England and throughout the Continent. But the experience of every age and country has proved, we fear, that if it be left to the wisdom and foresight of the landowner to encourage the growth of such a tenantry, it will never take place. The miserable scantiness of the produce of the greater part of the cultivated earth is manifestly owing to the want of capital and skill,—the poverty and degradation—of the peasant cultivators; a condition which is directly caused by the extortionate rapacity of those persons, whether kings, nobles, or lesser proprietors, who have established a claim to the ownership of the soil. Wheresoever circumstances have compelled a relaxation of the gripe in which the cultivators are generally held by these *terrarum domini*, they have uniformly been found to take advantage of it for the extension and improvement of agriculture. The forcible emancipation of the great body of cultivators in France, by her first revolution, from the oppressive bondage in which they were previously held by their landlords, has, in spite of the destructive circumstances by which that revolution was attended, and for a long period followed—in spite of the desolating effects of the conscriptions of Napoleon, occasioned so vast an increase in the revenues of the great

body of agriculturists, that France consumes now more than three times the quantity of manufactured commodities she did before that epoch, and her non-agricultural population has doubled. These facts tell how much she lost in wealth by the feebleness of the agricultural efforts of the peasantry under the old *régime*.

We repeat, that from the landowners of a country it must not be expected that they will spontaneously afford that immediate relaxation of their power over their tenantry which is necessary to allow the latter to emerge from a state of poverty, and cultivate with spirit and effect. This has ever been, and must be, the work of a superior power,—whether proceeding from above or from below, acting with the calmness of deliberate wisdom, or the convulsive reaction of turbulent despair,—by which the landowner is compelled to take those steps which are as necessary for his own as for the general benefit.

A striking illustration of the truth of this position,—which, harsh as it may sound, is in accordance with every known fact, as well as the recognized principles of human conduct—is presented by the actual condition of *Ireland*. In that country we may see the natural effects of uncontrolled power in a landed aristocracy to dictate the terms on which the soil shall be cultivated by the native population. There the far greater proportion of the land is tenanted by the very lowest class of peasantry, possessed of neither skill nor capital, each occupying in fact but a rude turf cabin and a plot of potato ground, with perhaps the run of a cow in the neighbouring common or bog. And

these *cottier* tenants (as they are called) are driven by the competition of their continually increasing numbers, to offer for this miserable holding a money rent so high as to leave them but an inadequate supply of the coarsest fare. The condition of the Irish peasantry proves that even where usurpation has not proceeded to the extreme length of claiming a property in the persons of its subjects, still the exclusive ownership of the soil—which the bulk of the people must obtain leave to cultivate, or starve,—enables the land proprietors of a poor but populous country to impose on them any terms they are pleased to exact, and thus virtually, if not nominally, to *enslave* them. The cottier is, in fact, an instrument which the Irish landlord employs to wring from his estate the utmost return an imperfect system can produce, and when it has served his turn, flings away to rot on the nearest dunghill. The law mocks the Irish peasant with the title of freeman. He is free only to starve,—for the same law confers an *unconditional* monopoly of the soil of his native island on a few individuals, and he must accept the terms they choose to offer, however hard, or perish of famine. And there, as elsewhere, it happens that the over-reaching avarice of the landowner, by clutching at all hazards an immediate gain, keeps the peasant cultivator in a state of misery, degradation, and helplessness, which totally incapacitates him from developing the productiveness of the land entrusted to him, to the great ultimate loss of its proprietor. Hence it is that a country blest by nature with a soil of unexampled fertility, intersected by magnificent navigable rivers, situated

in the most favourable climate, and inhabited by an active, spirited, and energetic population, within reach of all the advantages of the highest civilization, and protected from external injury by a wealthy and powerful government,—offers a picture of discontent and turbulence, of moral degradation and physical want, probably unequalled in any other quarter of the globe.

Even in England the mistaken selfishness of the landlord class is exemplified, in their attempts by means of the corn laws to confine the increasing population of the country to food grown on her limited soils. The injury which they themselves sustain by thus checking the extension of our manufacturing industry, and pauperizing a large portion of the population which might maintain itself if it were allowed to exchange the produce of its labour with the foreigner for food,—is easily demonstrable, and will be reverted to in a subsequent chapter.

In the northern division of the New World, and in some of our Australian colonies, we may see a system in practice very different from any of those we have been employed in contemplating,—a system approaching perhaps as nearly as is desirable to the natural and equitable law of land proprietorship. Those vast territories, throughout which man was, up to a very late period, a comparative stranger, offered an almost boundless extent of surface for his occupation. The adventurers that migrated from the old world to settle on these fair shores, bringing with them both a knowledge of the arts of civilized life, and the habits and maxims of regulated freedom, found there on their arrival

no powerful monopolists claiming, on the plea of ancient grants or modern conquest, to exclude them from their just place at the bosom of mother earth—no arbitrary despot proclaiming himself, by right divine, lord of Heaven and earth and all that is therein, and urging them to toil only that, like the bee-master, he might despoil them of the honey they should store ;—they had

‘ The world before them where to choose,
And Providence their guide.’

Each took possession of as much land as he found it convenient to cultivate, and rejoiced to find others fixing their choice in his immediate vicinity, and sharing with him the well-known advantages of a division and exchange of labour. As the settlements advanced, and it was found to be for the common interest that the occupation of fresh land should be regulated in a systematic manner, for the sake of more effectually securing proper communications and measures for internal security and external defence,—the state was appointed proprietor of all the unoccupied lands, but only with the view of their being dealt out to all who might wish to settle, upon such terms and in so regulated a manner as would ultimately be most conducive to the benefit of the settlers themselves.

Here was a practical adoption through an extensive tract of country of those simple and natural principles which we have shown ought every where to regulate the appropriation of land, the common bounty of the Creator. We see its results in the extraordinarily rapid increase of wealth and population among the settlers wherever

they enjoy internal tranquillity, as in the United States and the British Colonies. In the provinces formerly colonized by Spain and Portugal, civil dissension, the natural fruit of the despotic principles introduced from the mother countries, has unhappily marred, in some degree, the lot of their inhabitants.

Political economists are in the habit of explaining the high wages and prosperous condition of the cultivators of North America and our Australian possessions, by the single circumstance of these newly-settled countries possessing vast tracts of uncultivated land, from which it is easy for any industrious man by the labour of his own arm to procure a comfortable subsistence for himself and his family. But the fact is, that many of the most ancient states of the old world contain an almost equal abundance of waste and untilled lands, of high natural fertility, and provided by nature with every requisite quality for the occupation and enjoyment of man, upon the sole condition that he exert the powers with which she has furnished him in the development of their productiveness. It is to the vices of the governments and institutions of the old world, not to the deficiency or exhaustion of its rich, and, through a vast extent, yet virgin soils, that we must attribute whatever is to be found of misery in the condition of their people. It is by the strong remaining taint of feudal slavery, the weight of despotic tyranny, and the ignorance and bigotry which a long course of systematic oppression has engendered in both people and rulers, that the development of their natural resources is impeded, in-

dustry, economy, and foresight prevented from expanding themselves, and the gifts of a bountiful Providence turned but too frequently into curses. Nor can there be a stronger proof of this assertion than the comparatively unimproved condition in which the Spanish and Portuguese colonies have stagnated,—though new and highly fertile states, for several centuries; whilst the northern states of America have made, in a third part of the time, such rapid progress in improvement, as to present already to the delighted contemplation of the friend of humanity one of the most powerful, wealthy, prosperous, and civilized nations of the globe, spread over a territory where little more than a century back there wandered only some scattered hordes of barbarous savages. The difference can be attributed to nothing but the different *political institutions* of these settlements, the one having been modelled on the peninsular despotisms, the other an emanation of the stern and independent spirit inherited from the ancient Scythian tribes, and which, even in the worst of times, still struggled for existence in some angle or other of the old world. There is nowhere a more striking proof of the relative advantages of free and despotic institutions, and of the habits, ways of thinking and acting, in a word, the social disposition, respectively generated in nations by such institutions, than is afforded by a comparison of the actual condition and past history of the American states of British origin, with those of Spanish and Portuguese derivation.

In countries where erroneous institutions—by

giving to an arbitrary sovereign, or equally arbitrary aristocracy, the exclusive property of the soil,—have retained the cultivators in a state of poverty and helplessness, each individual peasant, with his family, occupies a separate plot of ground, and the share of the produce which is allowed to remain with him constitutes his *wages*, or the return for his labour. We have seen how scanty and insufficient under such circumstances this return will always be. Where, as in Britain, a better system of cultivation prevails, the occupier is in the habit of *employing* labourers to assist him, advancing to them their subsistence, or *wages*, and providing the tools, seed, and stock, necessary for carrying on his agricultural operations on the extensive scale which is proved by experience to be most favourable to production. Such a cultivator is a *capitalist*, that is to say, an owner and employer of capital, or stock productively engaged. Before, therefore, we can appreciate all the results of this peculiar system of land occupation, we must endeavour to obtain a correct notion of the characteristics of that which has been already mentioned as the *third* great and almost indispensable element of production, *viz. capital*.

CHAPTER VII

CAPITAL.

The result of previous Labour—Not affixed to Land—Nor incorporated with human ability—Nor reserved for private Consumption—But employed, or reserved for Employment, in Production, with a view to Profit from sale of its Produce.—Necessity of so restricting the meaning of the term.—Utility of Capital.—Profit on Capital.—Nature of Profit, and natural right to its enjoyment.—Mistaken Views of those who declaim against the Profits of Capital.—Fixed and Circulating Capitals.—Elements of Profit.—Net Profit, or Interest of Money.—Inequality of Gross Profits.—Equality of Net Profit, in the same country.

LABOUR, as we have seen, without the assistance of the powers of nature as developed on the surface of the earth, can do nothing. But neither can labour do much, even with the possession of land, and the aid of all the powers of nature, in the absence of much previous preparation, the result of preceding labour;—and especially of a stock of tools to work with, of materials to work upon, and of food, clothing, and other necessities for the maintenance of the labourer while at work. A few berries from the bush, water from the spring, and now and then a stray animal, taken by superior swiftness of foot, must compose the sole subsistence of the man who has within reach no prepared reserve, either of food, or of instruments for ob-

taining it. The poorest savage generally possesses some stores of this nature, the products of previous labour, nor always depends for his daily meal upon the chance of obtaining it by his daily exertion. But in an advanced state of society, few things can be produced and prepared for consumption except by processes which require much time—days, months, often years—during which the labourers employed must be supplied with food, clothing, and other necessities of subsistence. A variety of tools, instruments, and machinery, are equally necessary, as well as a stock of materials; all of which things have to be provided at an expense of much time and labour, before any of the ordinary operations of industry can commence. Stocks of all these things, it is evident, must be accumulated *somewhere* at hand, for the use of the various classes of labourers, or production of no kind could be carried on. The agricultural labourer could neither turn the soil, nor deposit a grain in it, if he were unprovided with his spade, plough, harrow, and other implements of husbandry. The smith and the carpenter must cease to work unless they can find somewhere a stock of iron and timber prepared to their hands, as well as the fuel, forge, and workshop, with the tools and instruments peculiar to their trades. And these, and all other classes of labourers, depend likewise for their daily sustenance and comforts, on the due provision of food, clothes, furniture, and houses, either in their own possession or within their reach.

The results of previous labour, accumulated in any country, constitute its *stock* of wealth or of the

materials for producing wealth. But of this aggregate stock a very considerable portion is so far incorporated with, or affixed to, the soil, as to be by law, custom, or necessity, inseparable from it. Such are the permanent improvements which have been made upon the land at various times since its first occupation, with the view of augmenting its productiveness—such as fences, durable manures, roads, canals for irrigation or traffic, plantations of fruit or forest trees, and *buildings* of different kinds ;—all of which are ranked by law and custom, together with the land to which they are affixed, in the general class of ‘immovables,’ or landed property ; and the returns derived from them are merged in *rent*. Nor can Political Economy when taking a general view of the sources of wealth, without inextricable confusion, depart in this generic nomenclature from the established usage.

Another portion of the accumulated results of labour resides in the acquired skill and knowledge of individuals, in the acquisition of which much time and trouble has been expended. The entire body of the useful arts and sciences forms a part, and the most valuable part of the *stock* of society. It is the accumulated result of intense preceding labour on the part of the great benefactors of mankind for ages back, preserved to us through successive generations, and with continual improvements, by tradition or in writing. These treasures of knowledge, however, before they can be *productively* applied, must be appropriated by individuals with additional labour on their part, and so far mixed up with their natural qualifications

as to become *personal* to them. This kind of stock, therefore, enters into the category of *ability* or human powers of production, under which head we have already considered it. Its returns properly fall under the appellation of *wages*.

The *third* and remaining portion of the aggregate stock of a community consists of the *material* products of previous labour, that are separable from the soil as well as from individuals; and it is therefore properly designated as '*moveables*' or moveable stock.

Moveable stock is itself to be distinguished into two great divisions, according as it is kept or used for the purpose of producing wealth, or simply for individual gratification without any ulterior object.

The first division comprehends the various tools, machinery, materials, necessities of subsistence, or other things provided for sale, or for the consumption and use of labourers while employed in the production of saleable commodities;—and is properly designated, as we have already explained, by the term *capital*. The remaining portion of moveable stock which is not kept for sale, or consumed with the view of facilitating further production—but only for that, which is, in truth, the real end and object of all production, the gratification of its owner—is indifferently called revenue, wealth, property, goods and chattels, &c.;—but must not be confounded with capital.

Though it may be difficult in all cases to determine of every particular object, whether it is productively engaged, and therefore to be reckoned capital or not;—yet this need no more prevent our

distinguishing the whole moveable stock of a country under two great heads, according as it is employed with a view to the reproduction of more wealth, or only with a view to immediate gratification, than we need be interdicted from classifying natural objects into minerals, vegetables, and animals, because there are some few intermediate species which can be with difficulty referred to either class. No useful conclusions can possibly be come to upon what is going forward in society, if we do not distinguish between those masses of wealth which are habitually consumed in a productive manner—in such a way, that is, as to produce an equal or greater quantity of wealth—from those which are consumed unproductively, or so as to leave no equivalent behind. When an individual consumes a certain quantity of his stock with no other aim or result than the gratification of himself or his friends, the mass of wealth is *pro tanto* diminished; and though gratification is the ultimate end of all production, yet since a portion of the means of gratification is destroyed, and no similar portion produced, such consumption is evidently unproductive. What is consumed in this way is usually said to be expended as *revenue*. When an individual, on the other hand, purposely expends stock in such a way as that its consumption is the means of producing an equal or greater quantity—as for example, the consumption of seed and husbandry implements by a farmer: no portion of the aggregate of wealth is destroyed; but on the contrary, there is, in almost every case, *an increase*, which forms, what is usually called *profit*, and is the motive for such expenditure.

We should therefore define capital as *that portion of moveable stock which is employed, or reserved for employment, in production,—to which we would add (in order to exclude ambiguity as far as possible)—with a view to profit by the sale of its produce**.

* The term capital is employed, we think, by Smith and most other economists in far too extended a sense, and requires to be more strictly limited than it usually is by writers on the subject, if we desire to preserve any distinction between this and the other main elements of production, land and labour. We cannot acknowledge acquired skill, for instance, to be properly called capital, unless by metaphor. Otherwise, what is pure labour? The mere brute force of man is rarely, if ever, exerted without some little skill to aid its application, a skill acquired by practice or precept. There is no occupation so mechanical, not even that of carrying a load, or breaking stones on the highway, in which some skill may not be acquired, so as to enable one man to do more work than another who is less skilled. It is true that much capital is often expended by labourers in the acquisition of skill and knowledge, which eventually bring in to their owners an increased return; but when capital has been thus incorporated with man himself in the increase of his productive powers, we must consider it more accordant with usage, and less likely to create confusion, that it should thenceforward go by the name of *ability*, not capital; and its returns be called wages, not profit.

Again, when capital has been expended upon the permanent improvement of land, as in clearing, fencing, draining, and fertilizing it, in roads, canals, bridges, and buildings, we can no longer think it properly designated as capital. It is incorporated with land, so as to be inseparable from it, except by an extremely slow process; and its returns are practically merged in rent. This portion of rent undoubtedly *represents* the profit of the capital which has been spent on the land, just as the increased wages of an artificer represent the profit of the capital expended in teaching him his trade; and we need not forget this, though it may be more

No labourer, we have said, can work at anything but with the aid of capital, either produced by himself, or procured from others. But production could advance only with the utmost slowness,

convenient and more accordant with usage, instead of calling them both profits, to call one rent, the other wages. If labour, land, and capital, are to be distinguished by any intelligible line of separation, we think it can only be by including, under the first term, all the productively engaged powers of man, natural or acquired; under the second, those of the soil and the things permanently affixed to it; under the third, those of the *moveable* substances man has stored up with a view to production. In Political Economy, much labour has been expended in vain, and great confusion introduced, where all is really plain enough, by *over refining*, and by ill-judged endeavours to give a mathematical accuracy to definitions and propositions which from the nature of their subject can pretend to no more than the grouping of phenomena according to their most striking general characters. If, as the definitions and language of some economists would contend, every thing *on which capital has been expended with a view to a return* is still to be called capital, there is an end to all distinction between the three primary elements of wealth. *All labour* then is capital, and *all land*. The labourer must be reared on capital for years before he can do any work; he must be fed daily on capital, or his ability vanishes; land must be cleared and cultivated by capital, or it will produce nothing. Both labour and land are, therefore, by this rule essentially and entirely capital, and all wages and rents are in fact profits! And so, indeed, says Mr. Macculloch, with all possible gravity, (*Principles of Political Economy*, p. 118) quite regardless of the circumstance that every one of his works, even that in which he comes to so startling a conclusion, is entirely made up of a series of disquisitions *on the reciprocal influence of land, labour, and capital, rent, wages, and profit*. We need hardly observe that things which are identical can have no reciprocal action on each other. The same spirit of ultra-refinement has driven him into the equally monstrous inconsistency of defining *labour* to be

if every labourer were to endeavour to fabricate for himself the tools he works with, and to raise from the soil the materials he employs and the food he consumes. At a very early period in the progress of improvement through the division of labour, it must have been discovered by experience to facilitate greatly the object of all labour, production, for some classes of labourers to occupy themselves exclusively in making tools and machinery of different sorts for the use of the remainder—others in the cultivation and preparation of the different kinds of raw material required for the several processes of industry,—and others again in the growth and provision of the food, clothing, and various articles which are necessary for the subsistence of the whole.

The stock of these things which an individual has produced, not for his own use, but with a view to their employment or consumption by others, are of course as much *his property*, as if he had intended them for his own use, and he has the right to dispose of them to those who want them

‘any sort of action or operation, whether performed by man, the lower animals, machinery, or natural agents, that tends to bring about a desirable result;’ (Edition of *Wealth of Nations*,) thus making labour include *both capital and land*. Again, his definition of capital, as ‘all that *can be made* to aid in production,’ includes in it land, labour, revenue, and profit itself: while his astounding declaration, that bubble-blowing and turtle-eating are *productive* occupations, necessarily follows from these premises. If such definitions are adopted, Political Economy becomes at once an entire jumble of meaningless phrases: land, labour, and capital,—rent, wages, and profits, are all different words for the same thing;—production and consumption are undistinguishable; ‘And nought is every thing, and every thing is nought.’

on the most advantageous terms he can make. He can either *sell* them out-right ; or, if it be more convenient both to him and to those who wish to employ the things, *lend* them, on condition of receiving a stipulated remuneration for their loan, in addition to the repayment of the things themselves, or their equivalent. Or as a third alternative, he may retain some portion of his capital in his possession, such as machinery and implements, and with another portion, consisting perhaps of the necessities of subsistence, or their equivalent, *purchase* the labour of such individuals as are willing to work for him, employing his capital.

If the entire capital a labourer works with belong to himself, whether by right of purchase or production, the whole produce of his labour will likewise properly belong to him. But if he works with the capital of another, it is evident that a part of the produce which results from the joint employment of his labour and the other's capital belongs of right to the owner of the capital. Thus if A supplies B with either food, or tools, or materials, upon which to work at making any article, it is clear that a proportionate part of the article or of its value rightfully belongs to A. What this part should be—what, in short, should be the several shares of the labourer and the capitalist in any case, must depend on the relative value of the capital supplied by one, and the labour furnished by the other, and this can only be equitably settled by previous agreement between the parties, voluntarily entered into by both for their mutual advantage.

The share of the labourer is the remuneration

of his labour, and forms his *wages*. The share of the capitalist goes, for the most part, to replace that portion of his capital which has been consumed, damaged, or worn out, in its employment. But there must remain to the latter some surplus beyond this; for it would be worth no man's while to employ his capital productively, if he can *gain* nothing by so doing. The surplus which accrues to the capitalist after his capital has been replaced, is his only remuneration for its employment, and is called its *profit*. Profit is the inducement of the capitalist to employ his capital in production, just as wages form the inducement of the labourer to exert his skill and strength in the same manner. The former has obviously as much right to be paid for the use of his capital, as the latter for the use of his labour. Both have combined to produce a joint result, which could not have existed in the absence of either. Without the capital, the labour would have been nearly unproductive; without the labour, the capital must have remained dormant and unincreased, even if secure from waste. The right to possess and freely dispose of capital, and to receive whatever return, or profit, is to be obtained by accommodating other parties with its loan, or by employing the hired labour of others in rendering it productive, stands evidently on precisely the same ground as the right to possess or dispose of any other thing, equally the produce of labour. The expediency of protecting the free use and employment of property as capital, that is to say, *productively*, and the free enjoyment of its returns, is evident from the

simple consideration that in the absence of such protection no one would produce any of such things as are necessary for aiding production,—at all events, no more of them than he wanted for his own use. Every labourer must then make his own tools, and raise from the earth his raw materials and his food. There would be an end at once to all that vast increase of the general stock of the means of enjoyment which results from the division of labourers into the various classes of tool-makers, growers and preparers of raw material and of food, house-builders, furniture-makers, manufacturers of clothing, ornaments, &c. Society would be resolved into its first elements. Each man must betake himself to the cave or hollow tree for shelter, his nails for tools, berries and game his sole food, skins his only clothing; and famine and want must rapidly cut down the numbers of mankind to the meagre hordes of miserable savages that could alone support themselves on such terms.

The profit obtained by the owner of capital from its productive employment, whether in his own hands or those of another party, to whom it is lent, is to be viewed in the light of a compensation to him for *abstaining for a time from the consumption* of that portion of his property on his personal gratification; and the compensation is therefore proportioned to the *time* during which his capital is so engaged instead of being spent upon himself, as revenue. It has been said time is a mere word—a sound—can do nothing, is nothing;—and can therefore neither have nor give

value*. This is a very great and extraordinary mistake. What gives value in exchange to labour? Only that no one will, under a free system, give his labour for nothing, and consequently those who require the labour of others must pay for it. But the same cause gives value to time. No one will sacrifice time by allowing it to operate on his property—will sow his wheat, for instance, and allow it to remain a twelvemonth in the ground, or leave his wine in a cellar for years, instead of consuming these things, or their equivalents, at once—unless he expects them to acquire additional value in proportion to the *time* during which they are so kept unconsumed. That they do thus acquire additional value, owing to certain natural laws—the sown wheat multiplying itself in its crop, the kept wine improving in flavour—is notorious. And if this additional value were not to be allowed to their owner in the price he obtains on parting with them, it is evident there would be no inducement to him to employ his property in this productive manner. Wheat would not be sown for a future crop—wine would not be placed in cellars to improve. Were it not for the certain prospect of the profit to be obtained at a distant time by the productive employment of capital, and that the profit too will be proportioned to the time which elapses before the production is completed, no one would employ any portion of his wealth productively, except for the relief of his own immediate wants—no one would accumulate wealth in a productive shape, except for his own

* Macculloch, Political Economy, p. 314; Mill's Elements of Political Economy, p. 9.

consumption. Capital, in its true sense, would almost cease to exist. If, under these circumstances, *property* were accumulated, as no doubt it still would be, through the influence of the strong natural passion for accumulation which exists in most minds, it would be hoarded in the form of substances that could be kept by their owners without injury, but without utility—gold, jewels, plate, pictures, furniture,

‘ Rich stuffs and ornaments of household.’

And, in fact, in barbarous ages, when there existed a prejudice against the *taking of interest on property lent*, these were the forms exclusively assumed by accumulated wealth. The owner of such treasures might, perhaps, occasionally gloat over them with a miserly satisfaction, but still with less gratification than if they had been increasing through their *productive* employment—while to none but himself could they be of any service whatever. And thus they remained locked up in chests and closets, without contributing in any degree to the benefit of any person—until, perhaps, the strong temptation they offered to the cupidity of the robber or the tyrant caused the destruction of their possessor, and the dispersion of his treasure into other hands—there to stagnate as uselessly to the mass of mankind.

But when freedom is afforded to the employment of capital, and security to the enjoyment of its returns—when no impediment is offered by mistaken legislation, grasping tyranny, or vulgar prejudice, to the voluntary and mutually beneficial agreement of two parties, one of which is desi-

rous of productively using for a season what the other has painfully produced or saved by a sacrifice of present ease or enjoyment—the self-same passion for accumulation induces every one who is able to save, instead of hoarding his savings in these unprofitable shapes, to give them the form of tools, buildings, machinery, raw materials, and food—objects which he can lend out to labourers for employment in production, on the condition of receiving *for their use, a share of the increase of wealth they assist the latter in producing.* In this way the miser of former days is converted into the employer of labour, and the promoter of every useful and valuable branch of industry. And thus those selfish feelings of our nature which prompt to the increase and accumulation of wealth—not as a means merely, but an end—become in the highest degree serviceable to the common interest, and are enlisted in the cause of the general happiness. The miser of the present day may yet, like his prototype in the dark ages, gloat over his wealth ; but he now keeps it by him, in the form, not of gold ingots, jewels, and costly stuffs—but of bills, bonds, and securities, the *representatives* of that substantial wealth, which, instead of rotting in close coffers, is employed in the hands of ceaseless industry, levelling the forest, and cultivating the plain, quarrying the mine, giving motion to the loom, and ploughing the ocean,—taking a thousand shapes, perhaps, but in each aiding man to avail himself of the prolific powers of nature, and multiply his means of subsistence and enjoyment. True it is, this capital would produce no increase without the skill

and labour of those who employ it;—but it is equally true that their skill and labour would produce nothing,—nay, that they could not even maintain their existence, without the capital which they employ, and that by which they are maintained while at work. The wealth which is produced by the union of capital with skill and labour, is evidently, as we have already said, the joint property of the owners of the capital and of the skilled labour. Each has contributed to its production, and each has a right to a share of it. If the capitalist were to be unjustly denied his share, accumulated property would thenceforth never take the form of capital; except that small portion which each man could employ by himself and for his own immediate purposes.

All this seems so obvious to the most ordinary capacity as hardly to be worth dwelling upon. And yet there are persons who still,—in the present light of civilization, in the nineteenth century, and in the midst of all the evidence which is afforded, wherever we turn our eyes, of the prodigious part which capital is playing in the production of the necessities, comforts, and luxuries of human life,—declaim against capital as the poison of society, and the taking of interest on capital by its owners, as an abuse, an injustice, a robbery of the class of labourers!* Such blindness is to me truly unaccountable. That those who observe the prevalence of great misery among the inferior classes of workmen in this and other

* See Hodgskin's *Popular Political Economy*, 'Labour defended against the Claims of Capital,' and other works of the same author.

wealthy countries,—who witness and deplore the fact, that in spite of all the manifold improvements which are continually adding to the productiveness of labour, the share of the gross production which falls to the common labourer does not increase—perhaps even diminishes—that, on viewing this anomaly, they should conclude *something* to be wrong in the arrangements which at present determine the distribution of the wealth produced in great part by labour—is no source of astonishment to me,—for I arrive at the same necessary conclusion from the same observation. But that any sane person should attribute the evil to *the existence of capital*—that is, to the employment of wealth in aiding the production of further wealth, instead of being unproductively consumed, almost, if not quite, as fast as it is created, or unproductively hoarded to satisfy the lust of the miser—is indeed wonderful. Why, without capital, this island would not afford subsistence to a hundredth part of its present population. Destroy the security for the free enjoyment or disposal of capital,—deny its owner the privilege of accepting what any one may find it for his advantage to give for its use—and every individual will be reduced at once to his unaided resources. He will find nowhere any store of food on which to live while he is digging, and sowing, and protecting his immature crop,—no stock of tools with which to work, or of clothes and other necessities of existence. All trades would stop at once, for every trade is carried on by means of capital. Men would at once be reduced to the isolation and helplessness of barbarism.

But, perhaps, it is in the imagination of these schemers, that there should not be a general destruction, but only *a general division*, of the capital at present existing, among the present race of labourers; so that each, it is thought, would, for some time at least, be provided with a stock of food, clothes, and tools, with which to continue the business of production. We suppose something like this is contemplated. But, putting out of sight the injustice, confusion, and attendant horrors of the frightful scramble which is here disguised under the smooth name of a general division of property—(a scramble which, in the extremely complicated and artificial state of society characterizing this country, must be attended with infinitely more violence, convulsion, and disturbance, than any political catastrophe on record,)—how, we must beg to ask, is production to go on afterwards? In a very short time, a large part of the population—*all the idle*—and in such a crisis there can be but little industry—will have consumed their share of the plunder in riot and excess. Admitting that others have gone to work industriously in the production of the things they require, each for himself—have ploughed and sown, and spun and wove,—have stored corn in their granaries, and cattle in their homesteads, and fuel and clothing and comforts of various kinds in their lofts, and cellars, and warehouses,—what is to become of all that large body who, having squandered away their share of the general booty, will have no means left of maintenance? *Heps and haws cannot last them long.* It is clear that one of two things must occur. Either they will, if

sufficiently numerous and strong, call for *another division of property*, that is, *once more* plunder the barns, granaries, homesteads, and warehouses of the industrious;—or, if they are not strong enough to attempt this, they will humble themselves to the owners of these same barns and warehouses, and petition for food and clothing in return for all they have to offer, *their labour*; that is to say, they will apply to them for *employment and wages*. If the owners of property refuse their petition, starvation and disease must rapidly carry them off; not however before they have robbed, and plundered, and done all the injury to the remainder of society which their despair and destitution will prompt. If their request is acceded to, the old system of masters and men, *capitalists and labourers*, will recommence;—and the society—at least whatever portion of it we can suppose to have survived the shock of such a convulsion,—will be reconstituted on its old and natural principles, to recommence the difficult march of improvement, and with the feeble hope of regaining, after the lapse of years, perhaps of ages, the elevated position we are at present so fortunate as to occupy, as yet unscathed,—to reproduce slowly and painfully the vast stock of accumulated capital which it once possessed, but which, in a fit of popular insanity, had been broken down and scattered to the winds.

The security of property and the liberty of consuming or employing it in whatever way the owner pleases, or finds most for his interest, is, as has been truly observed, the first of the *rights of industry*, and the essential condition of her pro-

gression. But of all modes of employing property, the very last which it would occur to an enlightened friend of humanity to obstruct, is its employment *in aiding production*—that is, as *capital*. It is quite clear that the profit or interest to be gained by the employment of capital is the principal motive to its accumulation, and the *only* one to its employment in furthering production. It is quite clear that if the owner of capital is not allowed to make what profit he can upon it by lending it to others, no one will accumulate more capital than he can use himself, and nearly all savings would thenceforward be hoarded in cellars and closets, instead of aiding industry and facilitating production.

Adam Smith and other economists distinguish two kinds of capital, fixed and circulating. The latter is defined to consist of such things as are continually going from and returning again to their owner, and afford a profit only on being parted with; such is the money which a master keeps by him to pay his workmen, his stock of materials, and of worked-up goods—and the stock in trade of all wholesale or retail tradesmen. Capital is said to be *fixed* which is invested in buildings, machinery, implements for facilitating labour, improvements of land, roads, canals, bridges, railways, &c.; things which yield a profit, not by being parted with, but while remaining in their owner's hands, and employed in producing other things. Smith considers as fixed capital the acquired skill and ability of the members of society.

It is doubtless serviceable to distinguish those

kinds of capital which are rapidly circulated—that is, consumed and replaced within brief periods, as a year for example, from capital of a more durable nature. But it may be surmised that except in the time during which they remain unconsumed in the employer's hands, there is no real distinction between the two classes of capital here mentioned. The capital laid out by a manufacturer, farmer, or tradesman, in the payment of his labourers' wages, circulates most rapidly; being turned, perhaps, once a week, if his men are paid weekly by the weekly receipts on his bills or sales. That invested in his materials and stock in hand circulates less quickly, being turned, perhaps twice, perhaps four times, in the year, according to the time consumed between his purchases of the one and sales of the other, supposing him to buy and sell on equal credits. The capital invested in his implements and machinery circulates still more slowly, being turned, that is consumed and renewed, on the average, perhaps, but once in five or ten years; though there are many tools that are worn out in one set of operations. The capital which is embarked in buildings, as mills, shops, warehouses, barns, in roads, irrigation, &c., may appear scarcely to circulate at all. But in truth, these things are, to the full, as much as those we have enumerated, consumed in contributing to production, and must be reproduced in order to enable the producer to continue his operations; with this only difference, that they are consumed and reproduced by slower degrees than the rest. The continual repairs they require attest their consumption and reproduction; and the

capital invested in them may be turned, perhaps, every twenty or fifty years. If then the terms fixed and circulating capital are to be retained, I would confine the latter to such portions of capital as are renewed or repurchased, and consumed or parted with, *within a year*; that of fixed capital to such as remain more than a year with the person who employs them for profit.*

In some trades the whole capital embarked is turned or *circulated* several times within the year. In others a part is turned oftener than once a year, another part less often. It is the average period which his entire capital takes in passing through his hands or making one revolution, from which a capitalist must calculate his profits. Suppose, for example, that a person engaged in a particular business has one-half of his capital invested in buildings and machinery, so as to be turned only once in ten years; that one-fourth more, the cost of his tools, &c., is turned once in two years, and the remaining fourth employed in paying wages and purchasing material is turned twice in one

* The futility of Smith's distinction is seen in his efforts to separate a farmer's stock into fixed or circulating capital, according as it is kept by him or parted with for profit. Thus the cattle and sheep a farmer milks and shears are said to be fixed, those he grazes and breeds, circulating capital. The seed he throws into the ground to produce next year's crop of corn is a fixed,—the hay he feeds his breeding or lean cattle upon to produce next year's crop of lambs or fat beef, a circulating capital. The truth is, that with a farmer as with any other producer, of the capital which the extent of his business requires, part circulates more, part less slowly. The average period in which his entire capital is turned, that is, parted with and reproduced, is the time upon which his profit is calculated.

year. Say that his entire capital is 10,000*l*. Then his annual expenditure will be

$$£5000 \div 10 = £500$$

$$2500 \div 2 = 1250$$

$$2500 \times 2 = 5000$$

$$£6750$$

$$7\frac{1}{2} \text{ per cent. on } £10,000 = 750$$

$$£7500$$

To which sum his annual sales should amount in order to clear seven and a half per cent. profit *on his capital*, and for this end he must charge a profit of ten per cent. *on the value of his goods*; the mean term in which his capital is turned being sixteen months.

Take another case, in which the fixed capital required bears a smaller proportion to that which circulates rapidly. Say that one-fourth of the entire capital circulates in ten years, one-fourth in one year, and one-half twice in the year. Then the annual expenditure will be,

$$£2500 \div 10 = £250$$

$$2500 \text{ ———} = 2500$$

$$5000 \times 2 = 10,000$$

$$£12,750$$

$$7\frac{1}{2} \text{ per cent. on } £10,000 = 750$$

$$\text{Annual sales . . . } £13,500$$

In this case a profit of little more than five and a half per cent. on the value of the goods will bring in to the producer seven and a half per cent.

of annual profit upon his capital ; the entire capital circulating in a mean period of less than nine months.

Should the greater part of the capital embarked circulate still more rapidly, a much smaller percentage on the articles sold will pay a fair profit on the capital. Should the capital, for instance, be turned five times on the average in the year, a profit of one per cent. on the sales will bring in five per cent. annual profit on the capital.

The higher the profit that can be obtained on capital, the greater of course the encouragement to its accumulation and employment.

But before we can speak of profits as high or low, we must learn to distinguish matters, which, in ordinary language, go by the name of profits, from the *interest* or *net profit* on capital.

Many capitalists are themselves personally engaged in productive occupations. The manufacturer, the merchant, the tradesman, the farmer, the master-mechanic, are all capitalist-labourers. The surplus by which the sum they realize from the sale of their produce exceeds the sum they have expended in its production, is in common language called their profits, or *living profits*. But some portion of this is unquestionably of the nature of wages,—the recompense of their personal labour, skill and ingenuity. Another portion often consists of *monopoly* gains, arising from the possession of exclusive advantages, such as secret processes, patent instruments or machinery, superior connexions, information, facilities of local position, &c. Another portion consists of a compensation for the peculiar risks incident to the business in which the capital is engaged. It is

the remainder only that properly forms the net profit or interest of capital—that return for its temporary use which can be got without personal labour or extraordinary hazard. This is usually calculated as a per-centage on the value in money of the capital employed. And it is itself made up of, 1. Compensation for the sacrifice of immediate personal gratification; 2. Insurance against the risk of loss through circumstances which may affect the general security of property. The latter element of interest depends on the internal tranquillity of the country; the chance of foreign invasions or political convulsions, such as endanger property; the efficacy of the laws which enforce contracts; the pure administration of justice; and other similar considerations,—varying in an extreme degree in different times and places;—insomuch, that a half per cent. in England will be, perhaps, a fuller compensation for such risk, than two per cent. in Ireland, three per cent. in Russia or France, and ten per cent. in Turkey.

Under similar circumstances of political risk the interest of money, or net profit of capital, will vary according to the quantity of capital seeking employment as compared to the demand for it. The supply and the demand of capital depend on the relative force of two powerful principles in human nature continually opposed to each other,—the desire to consume, and the desire to save or amass. Were every individual in a country to consume the whole of his income, whether derived from rent, wages, or profit, the amount of capital would remain stationary. Were the owners of capital to consume annually a portion of their stock, while the labourers consumed the whole of their wages, and the landlords the whole of their

rents, capital would decrease. The history of nations, however, teaches, that wherever institutions exist affording any tolerable security to the peaceful possession and enjoyment of property, the saving principle is sure so far to prevail over its antagonist, (chiefly among the industrious classes,) as to cause a continual increase of capital through the accumulation of portions of income abstracted from revenue to be employed as capital.

But not only does the rate at which capital increases, and therefore its *supply*, depend on the relative predominance of the saving over the spending passion, but the *demand* for it is influenced in the inverse sense, by the same circumstance. If we suppose the passion of saving carried to excess in any country,—were every member of society to content himself with the mere necessities of life, and endeavour to employ as capital all the remainder of his income—it is evident that the demand for commodities would be limited to the bare necessities of life for that number of individuals. All the various productions, which art and ingenuity now supply to gratify the infinite wants and caprices of mankind, would glut the market without a purchaser. The demand for capital would shrink almost to nothing, and profits fall to the merest trifle. This, however, is an extreme supposition, which can never really happen; for if profits fall through the competition of increased capital, the inducement to save is weakened, while that to spend is increased, by the fall in cost of all articles consequent on diminished profits. It may, therefore, be safely left to the mutually counteracting influences of the two passions we have spoken of, to determine that current average rate of net profit, which is the measure of

the degree in which the owners of capital prefer prospective gain to present enjoyment.

From what we have now advanced it is evident that no conclusion can be come to upon the relative advantages of any two trades, or ways of employing capital, from a mere statement of the *gross profits* returned by each. One may return twelve per cent., the other only six, yet the net profit, or real advantages derived from the capital embarked in each by its owners, may be, in reality, equal. The gross profits of the first business may be swelled by the circumstance of its requiring a much higher class of ability to exercise it, (as the trade of making chronometers, compared to that of making wooden clocks) ;—or through its being carried on with the help of some secret process, patented machinery, or peculiar advantage of position, (such as the vicinity of coal or iron mines, canals, railroads, or other facilities of transport) ;—or by reason of the greater comparative risks to which the business is subjected,—as that of gunpowder making, or ship insurance, over occupations not so exposed to casualties; or of trades in which long and large credits are given (a London tailor's, for example) over those in which the returns are quick and sure. If the two trades whose profits are compared, are not carried on in the same country, or under the same laws and government, then the variation in their gross profits may be still further swelled by the difference of the risk each is subjected to from political circumstances affecting the security of property in general; as in the instance of Ireland and Great Britain. Nothing therefore can be more fallacious than the

idea that the amount of the profits realized in any business (in the vulgar meaning of the term, in which it has likewise been used by most political economists) forms a just measure of the real surplus returns of the capital engaged in it; nor can any proposition be more erroneous than that there ever will, or can, be any thing like an equalization of the gross profits of every business.

Making abstraction, however, of all the above-mentioned extraneous circumstances of risk, trouble of personal superintendence, or peculiar advantages, it is evident that the *net profit* or *interest of capital* to be realized from different modes of employment, in the same country, or under the same *political* circumstances, will be *equal*, or nearly so. And for the reason, that as fresh capital is being continually accumulated from fresh savings, there will be a number of persons continually on the look-out for the means of employing their capital to the greatest advantage; and if any one occupation promised a higher return than others, making allowance for its peculiar compensatory risks, difficulties, labour, and other circumstances,—it would be chosen in preference by so many of these speculators, as by the *competition* of their produce in the market must soon bring down the returns of that particular trade to the general level,—perhaps for some time *below* it. There is, in fact, a continual *oscillation* of this sort going on in the returns of capital in most employments, about the mean level or average of *net profit*, and is accompanied, or rather, caused, by an analogous oscillation in the *market value*, or *selling price*, of commodities about the mean

cost of their production. These are matters into which, now that we have obtained a tolerably clear notion of the nature of the primary elements of production, labour, land, and capital, we must enter into further detail.

CHAPTER VIII.

VALUE.

Value necessarily relative—No real Value—General Value—Means ‘Purchasing Power’—Elements of Value—Monopoly—Costs of Production. Rent, the result of Monopoly—Does not enter into Price—Distinction between good and bad Monopolies—Demand and Supply—Their variations and reciprocal action—Cost of Production—Consists in Labour, Capital, Time, Monopoly, and Taxation.—Competition of Producers, by which Supply and Demand are kept nearly Level—Different Investments of Capital and Labour—Partial Glut—General Glut impossible, except through a Scarcity of Money.

MUCH confusion has attended the use of this word in political economy, which a simple analysis of its meaning might have obviated. In common language everything which is desirable, as health, wit, beauty, goodness, is said to have value. But political economy meddles only with things which are the subject of exchanges; and in the discussions of the science, value therefore must mean always commercial value, or *value in exchange*. In this sense, in order to have value, it is not enough that an object be desirable. Many things are highly desirable for their useful or agreeable qualities, (as air, light, and water, for example,) but yet under ordinary circumstances, have no value—because their supply being unlimited and no trouble re-

quired from any one to obtain as much of them as he can want, no one will give anything *in exchange* for them. The moment their *supply* falls short of the quantity required,—in other words, of the *demand*,—or that it becomes necessary to take some trouble to obtain the quantity required, they acquire an exchangeable value. On board ship—in the deserts of Africa—and in other places where the stock of *water* falls short of the quantity required, it obtains a value, which rises with its scarcity. In cities, water is habitually sold at a considerable price; and this price is generally proportioned to the trouble necessary for supplying the quantity required.

When, then, we speak of the value of anything, we must always have reference to some object of comparison or exchange. In ordinary phrase, money is the understood object of reference. But money being merely, as has been said, some one commodity selected for particular qualities to be used as a general measure of value and medium of exchange, is itself liable to vary in value; it is therefore clear that value is not in strictness to be determined by quantity of money. When employed alone, in scientific arguments, without reference to money or any other single specific object, commercial value must be understood to mean exchangeable worth in the general market, or what Adam Smith called ‘purchasing power.’ An object, in fact, whether gold, silver, cotton, or any other article, is said to have risen or fallen in value, when it will command in exchange a larger or a smaller quantity of *other things* in the gross than

before. The expression is purely relative. Nor can there be such a thing as positive, absolute, or real value.*

When a desirable commodity is to be obtained

* Smith and his followers have insisted much on everything having a *real* value, which they define to consist of the quantity of *labour* required to produce it; and they accordingly call labour the natural standard or measure of value. But it is indispensable for a standard measure to be something both definite in its nature, and as nearly as possible invariable itself in value. Gold, silver, iron, or wheat, for instance, may be employed as standard measures of value with more or less of accuracy, because at least we know precisely the distinguishing qualities of these objects; they can be easily identified in all times and places; and equal quantities of them will always at the same time and place be of equal value.

But what can be more vague and indefinite in its meaning, or more variable in its value, than labour? In some countries labour is habitually far more severe and unremitting than in another; so that a day's labour in each by no means expresses an equal quantity of exertion. Again, an hour's labour of one man may in the same place be worth a year's labour of another. It is impossible that anything so variable in meaning and value can be fitly employed as a fixed general measure of the value of other things.

It has, however, been urged by these writers that the exchangeable value of anything will always depend on the quantity of labour necessary to procure or produce it, and on this ground it is proposed as the best measure of the value which it composes. One would have supposed that the commonest facts might have sufficed to prevent the promulgation of so false a position. What causes the workmanship of one artist to sell for ten times as much as that of another? Certainly not the greater proportion of labour bestowed on it. Why will a statue by Chantrey, a portrait by Lawrence, a novel by Scott, bring twenty times the money which the productions of inferior labourers will command? Why again is Tokay wine more valuable than *piquette*?—or old

in any quantity that can be required by a proportionate outlay of labour, like water from a

wine than new?—Why an acre of land at Battersea than one on Dartmoor,—a diamond than a bit of glass,—an antique brass coin than a modern gold one? Not surely because of the greater quantity of labour worked up in them. It is true that these same writers sometimes attempt to qualify their rule by admitting exceptions in the case of those commodities whose supply is limited by monopoly, or the exclusive facilities for their production possessed by some individuals. But is there any commodity which is not more or less affected by monopoly? Is there any in the production of which superior advantages are not enjoyed by some parties over others, enabling them to raise its price in the market? All land, to begin with, the primary source of *every* commodity, is, in nearly all civilized societies, monopolized. And the superior advantages of position or quality belonging to one tract of land over others, enable its owner to place a far higher value on its produce than will just cover the labour of production. All mines of coal and metal, quarries, woods, water-power, &c., are in the same predicament. And if we reflect that there is no commodity which is not, in part or altogether, made up of materials produced under these monopolies, we shall be led, perhaps, to conclude that the proposition of the economists in question is the very reverse of the truth; and that there is scarcely any commodity the value of which is solely determined by the quantity of *labour* required to produce it.

The fact is, that all these attempts to identify value with labour, or to distinguish *real* from relative value, are founded in a gross misconception of the nature of value, which, as we have said above, like length, weight, bulk, or any other quality susceptible of measurement, has essentially a relative only, not a positive meaning. What is *real length*, or real weight, or real bulk? Just as unintelligible as *real value*. Value is ‘comparative estimation as an object of exchange;’ and when used without reference expressed or implied to any particular commodity as its measure, means *general value*, or value in exchange against goods in general;—as Adam Smith phrased it ‘purchasing power in the general market.’

copious spring, or stone from an inexhaustible quarry, its value will in the long run be determined solely by the comparative labour required to procure it. But many commodities can only be obtained at all in limited quantities, and when the quantity required, or the *demand*, exceeds the quantity produced, or the *supply*,—their value is proportionately enhanced. This permanent scarcity, or *rarity* as it is called, is the cause of the greater part of the value of all precious stones and metals, superior works of art, scarce and fine wines, antiquities, and curiosities of all sorts. The increased value which the owners of such objects are enabled from their rarity to obtain for them, beyond the mere cost of labour or capital by which they may have been procured or produced, is called *monopoly* value; a monopoly, as we have already explained in speaking of the higher classes of labour, being the possession of some more or less exclusive advantage, enabling its owner to obtain a higher return than others for his capital or labour. The owner of the vineyard which produces Johannisberg, is in possession of a monopoly which enables him to put a much higher price on his wine than can be obtained for the produce of other vineyards cultivated with the same expenditure of labour and capital. A person passing through the streets of a town is struck by a stained and dirtied piece of canvass at a broker's door. He buys it for a trifle, cleans it with a little labour and expense, and it proves to be a Claude or a Raphael, worth a hundred times after this discovery what it was before. It is the rarity of fine pictures by such artists that confers a

monopoly value on them. Objects which are *unique* of their sort are often of great value in consequence. When there are but two known copies of a scarce work, it has happened that the possessor of one has bought the other at an extravagant price, for the purpose of destroying it,—his single copy being, in its unique state, of greater value in the market than the two were before. Monopoly value arises likewise from other circumstances of considerable moment, and particularly from the following:

Many commodities,—indeed the larger proportion of goods in every market, can be supplied in increased quantities only by an increased *proportionate* outlay. This principle teems with very important consequences, and follows necessarily from a very simple circumstance, which if it had received the attention it deserved from political economists, might have prevented their falling into no little confusion and error.

Value we must beg our readers to observe, has a strict relation to *time* and *place*. The value of a thing is the quantity of other goods or of money, that is, the *price*, it will command *at a particular time and in a particular place*. A thing may have a high value at one time, as ice in the dog-days; and no value at another, as the same ice in January. Again, that which is of little value in one place is of great value in another; as the old proverb about coals at Newcastle teaches. When therefore the value of anything is spoken of, reference is made, or understood, to some particular time and place; and when value in the general market is spoken of, the average of local

markets is intended; and, unless otherwise expressed, the present time.

Few objects are either sold or consumed at the same time and place where they are created. Nearly all articles require both more or less of time and labour, not merely to grow, prepare, and put them in marketable condition, but likewise to bring them from the spot where they are prepared, to the market or place where they are sold. In fact, the greater proportion of the most important objects of commerce—those which compose the food of man, and the raw materials of his clothing, comforts, and luxuries,—are raised by cultivation from the surface of the earth. But the process by which they are raised is one which requires much *time*—a season at least, often many—as well as *an extensive surface of soil*; and a very small proportion of them are consumed on the spot where they are grown, or immediately upon their production. Consequently, the *cost* or expenditure, necessary to produce these things for the bulk of their consumers, must consist not only of the *labour* of raising them, but likewise of the *time* consumed in their growth and preservation, and also *of the time and labour employed in bringing them to market*.

The value added to goods by the *time* necessary for preparing, persevering, and bringing them to market is, as we have seen, charged under the name of profit on the capital expended. That the cost of carriage of goods from the spot where they are prepared to the market where they are sold, is likewise a main element in their value, will not be disputed. In some articles, as stone, coals, water,

&c., it makes up by far the greater part of their cost. In order to diminish this as much as possible, the demand of a particular market for any things which are raised by cultivation of the soil, will be supplied from the soils nearest at hand, that are most fitted for the purpose. But it is obvious that as the demand in that particular spot increases, the supply has to be procured at an increased cost, either from *more distant soils*—causing an increased expense of carriage to market—or from such soils as, though nearer at hand, are of inferior productive quality to those first taken into tillage—that is, which require a greater expenditure of labour or capital upon them to insure the same quantity of produce. It is, however, certain that there cannot be two prices (or values) for goods of the same quality, in the same market and at the same time; since no seller will take less from one buyer than he can get from another, and no buyer will knowingly give more to one seller than another will take for the same article. The *competition* of buyers and of sellers with one another in the same market, will always bring the value of articles of the same quality in one market to the same level. It follows, then, that as the demand in a market for such objects as are produced under the circumstances just spoken of increases, the value in that market *of the whole supply* of them must keep up to the level of the value of that part of the supply which is produced in the market at the greatest cost. If this portion of the supply could not command that price (excluding, of course, the results of temporary and accidental miscalculations)

it would not be brought to market. And if that portion can command that price, so will all the rest of the quantity sold. The producers of this last portion will be repaid *precisely* for the labour and time they have consumed in growing or fabricating their article, and bringing it to market (in other words, the *costs of its production*,—the capital employed in producing it being replaced with a profit, and the labour repaid at ordinary wages). But the producers of all the other portions which were produced under easier circumstances, will get a *surplus* beyond the costs of production. And this surplus will be the greater in proportion to the greater *comparative* advantages of proximity to the market, quality of soil, facility of communication, or other favouring circumstances, under which their produce was raised and brought to market.*

* We beg the reader to observe that whenever we employ the word, to *produce*, or any of its derivatives, producer, production, and produce, we have reference to the production of an article *at the market where it is offered for sale*. It would be very convenient and tend materially to settle many disputed questions of political economy, if all writers would bear in mind and adhere to this rule in their employment of the term. The producer of corn is properly not the farmer alone who raises it from the soil, but the person, whether farmer or corn-dealer, who *produces* it at the market. The farmer is the grower simply, until he, or some other for him, brings it to market and offers, i. e., produces it for sale. The cost of production includes the cost of carriage to market as well as of the growth of the corn. In manufactures, it is not the man who weaves the cloth or cotton that is its producer, but the person who, having defrayed the costs of the raw material, the manufacture, and the carriage to market,—of the whole operation, in short, to which its existence is owing, *produces* it there for sale. So the producer of an article, raised or fabricated abroad to

It is this surplus that constitutes the *rent* of land ; —at least, that particular part of the rent of land which arises from monopoly, or its superior advantages over other lands cultivated for the supply of the same market. If the cultivator of the land is likewise its owner, he puts this surplus (or rent) into his own pocket. If he occupy the land of another, he pays over the surplus, as rent, to his landlord ; who it is obvious, on the average of years, will not be willing to let his land for less rent than the surplus which he or any other person might gain from its cultivation, after replacing the capital employed with a fair profit, and allowing a fair remuneration for the labour of the cultivator.

Rent, however, it must be recollected, in Great Britain and similarly circumstanced countries, includes, in its ordinary acceptation, many other things besides the monopoly-gain arising in the manner we have described from *natural* or *casual* advantages, whether of soil or position. A vast amount of labour and capital has been laid out by its successive owners or occupiers ; much of which remains permanently invested in the soil, adding to its value and productiveness. And the portion of rent, which is attributable to these *acquired* or *artificial* advantages, must be considered as repre-

be sold in this country, is not the foreign grower or manufacturer, but the person, whether foreign or native, who produces it for sale in our markets. When we arrive at the discussion of the question of Free Trade, it will be found that the vague use of this term has occasioned much obscurity which is at once cleared up by its correct and strict application in the sense we have assigned to it. (To produce, *v.a.* to offer to notice ; to exhibit to the public ; to bring forward.

—Johnson.)

senting the profit on the capital so expended. If the expenditure were to be calculated which has been from first to last laid out in permanent improvements of the land of this country,—for example, in the original clearing and enclosure, drainage, making of roads, farm-buildings, fences and gates, pools, water-courses, plantations, irrigation, &c., it would appear that by far the larger part of the rent received for landed estates consists of the necessary profit on this outlay. Of the remainder, part accrues from peculiar advantages with respect to proximity to markets, or manures; part from superior natural fertility of soil. It is to this last portion only of the ordinary rent of land that the greater number of political economists have confined their attention; and this exceedingly narrow and imperfect view of the nature of rent has necessarily led them into much inconsistency and error*. The two last portions of rent

* “Rent,” says Mr. Ricardo, (and Messrs. Macculloch, Mill, and many other economists have adopted his definition)—“Rent is that portion of the produce of the earth which is paid to the landlord for the use of *the original and indestructible natural powers of the soil.*” (Ricardo, *Pol. Econ.*, chap. ii.; Mill’s *Elements*, p. 39; Macculloch’s *Principles*, p. 431.) This definition excludes all that large portion of rent which we have noticed above as resulting from artificial improvements; as well as all that other large portion which is the consequence of favourable position with respect to markets, communications, manures, &c. How much of the rent of English estates depends on the first class of circumstances? How much of the rental of land in the neighbourhood of London, Liverpool, or Manchester, on the second? The ‘original indestructible powers’ of the British soil were the same in the time of the Heptarchy as they are now. How is it then that they brought in no rent, or next to none, at that time? If rent depends solely

—(which are, in fact, one and the same, since superior natural fertility is no source of rent, except it be conjoined with proximity to a market) —possess all the character of monopoly-gains.

Monopoly we have defined as the exclusive possession of some superior advantage over other parties engaged in supplying the same market,

on natural fertility of soil, why do some acres of land in England let for ten pounds a year, while an acre of equal fertility in Canada will not command a sixpence of rent? Whilst this school of political economists declare rent to be solely owing to the ‘difference in natural fertility of soils,’ and build their whole science upon this principle or ‘theory of rent,’ as they call it, other writers pull this theory to pieces, and in its place have set up another, viz., that rent is solely owing to the ‘pressure of population against produce, causing a rise in prices.’ (Westminster Review; True Theory of Rent, &c.) This explanation, however, is not much nearer the truth than the other. Rent may certainly exist in a society whose numbers are in no degree excessive; nay, it may increase at the same time with an increase in the productiveness of agriculture, and in the share of its produce falling to each individual inhabitant; just as it may arise and increase where all soils are alike in fertility. It is, in fact, the simple consequence of an increased *local* demand requiring an increased *local* supply—which supply must be procured either from inferior soils close at hand, or from the best soils at a greater distance. It may and does often happen that the increased supply can be sold, through continued improvements in agriculture or the arts, at a *less price*, or can be commanded by the *individual* consumers in *greater quantity* than at an earlier period: and yet there will be an increase of rent arising from the superior advantages of position or quality, &c., of some lands over others, for supplying the actual demand. Rent consists, then, of the difference between the expense of producing that portion of the required supply which is produced under the least favourable circumstances, and that produced from the land which yields the rent.

enabling its owner to derive a proportionately larger gain from the same expenditure of labour or capital. Competition is the antagonist principle to monopoly. Each producer is constantly struggling to increase to the utmost, and make the most of, his own advantages over others; and, of course, his efforts tend at the same time *indirectly* to reduce the superiority of others over him. The result is a vast increase of production, by which the public, in its capacity of general consumer, gains a proportionate advantage.

The term Monopoly carries with it in vulgar estimation an odium which is, in truth, only due to such monopolies as are gained by unfair means, force, or fraud. If a man by the fair exercise of his natural, acquired, or accidental advantages, obtain a larger return for his labour or capital than others, no one disputes his right to it; and, indeed, inasmuch as such higher returns form the main inducement for the acquirement, cultivation, and exercise of superior advantages, the result of which, viz., increased production, is so great a benefit to society—it is evident that monopolies of this kind are not merely harmless, but eminently useful. They hold up to public view the prizes that are to be gained by excellence of any kind in the race of production. They encourage industry and excite emulation. And even those which appear the result of accident solely, are not without their use. They help to relieve the monotony of society, and cause that unequal distribution of wealth, which, when not carried beyond the wholesome limits to which fair and free competition will, we believe, always confine it, may be compared

in their effects to the beneficial inequalities in the physical surface of the globe, which bring a great variety of climates and productions within a limited compass, and are essentially necessary for distributing over its surface that fertilizing fluid from which the freshness, verdure, and vigour, of its vegetation are derived.

The exclusive legal ownership of land possessing superior advantages of any kind, natural or artificial, of fertility or of position, is, as has been shown, a monopoly, which enables the owner to obtain a *rent* from those who cultivate it, or, if he cultivate it himself, to *make* a rent, proportioned to the peculiar advantages of his particular estate over lands that are habitually engaged in supplying the same market under the most unfavourable circumstances.

The owners of most mines, fisheries, forests, &c., enjoy a similar advantage of monopoly. Those which are naturally most prolific, or best situated for supplying the principal markets, afford the largest returns to their owner, after replacing the capital and paying the labour employed in working them. And if instead of working the mines, fisheries, &c., himself, he prefers to let them out to be worked by others, he will obtain through the competition of capitalists, willing to undertake the business if they can only secure the ordinary returns of capital and labour—a rent consisting of the surplus produce of each particular property beyond these returns, and of course proportioned to the peculiar advantages of each.

The possession of superior machinery, of secret or patented processes, or of skill, talent, ingenuity,

or knowledge, applicable to any of the arts of production, is likewise, as we have seen, a monopoly, enabling their possessors to employ their labour or capital to greater advantage than others, and consequently to get a greater return for it, a higher profit, or a larger wage. Some of these advantages may even be, and are occasionally, let out by their owners to other parties at a rent.

The value of any monopoly to its owner is measured by the superiority he enjoys over the least favourably situated of all his habitual competitors in the same market. These could not afford to continue supplying the market, *for a permanence*, unless they obtained the average return; that is, as high a return for their capital or ability in that, as they could obtain in any other employment. But however much the owner of such a monopoly may gain by its possession, the public *sustains no loss*. The extra rent of land, for example, or the extra value conferred on land by its superior fertility, favourable position for markets, &c., adds nothing to the selling price of landed produce. It is entirely a vulgar error to suppose that rents affect prices. If the landlord were to renounce his rent altogether, this would in no degree affect the demand or supply of the market, and prices would remain unaltered. The cultivator of the best or nearest lands would still ask as much for his corn or cattle as he could get, and this would be determined by the terms upon which the cultivator, engaged habitually in supplying the market under the least favourable circumstances of soil and situation, could afford to send it there. The only consequence of a complete abolition of mono-

poly rents would be to put them in the pockets of the farmers, under the name of extra profits—in short to turn the farmers into landlords. But society could gain no advantage by thus prohibiting the owners of land or any other valuable exclusive property from letting out, if they please, their possessions to others for productive employment, instead of personally engaging themselves in their business. And, on the contrary, there is a very evident advantage accruing to society from the existence of an independent and wealthy class of persons, disengaged from the necessity of constant personal attention to their affairs, and therefore enabled to give up their time gratuitously to literary and scientific studies, or the performance of public, but unpaid duties. It is from this class that the ranks of our legislature and magistracy, our authors and men of science, must be recruited. And it is, moreover, from the elevation of mind and manners, the refinement and intellectual polish which leisure and easy circumstances enable this class to attain, that much benefit descends to all the other classes, in the example afforded them of a higher taste for the comforts and decencies of life, and a higher standard of enjoyment than the gratification of mere animal wants.

It is not easy to define accurately in words the distinction which separates beneficial, or harmless, from injurious monopolies. Generally speaking, as we have said, that which results from superiority acquired and exercised in a fair and open manner is beneficial—such as are obtained or supported by fraud, or force, are publicly inju-

rious. No one blames Chantrey or Lawrence for charging as high a price as they can obtain for their productions. No one disputes the general advantage of allowing the grazier who produces the best ox, or the farmer who brings up the finest sample of corn, in the market, to carry away the topping price. No one doubts the right of a merchant, who from superior sagacity has foreseen the probable future deficiency of some article in the market, and provided a stock of it against the time, to make what extra profit he can of his speculation. Again, no one quarrels with Lord Grosvenor or Mr. Portman, for charging as high a ground-rent as they can obtain, even though it reach five guineas a foot, for their land in the parishes of Marylebone or Kensington. But if the owners of land in the vicinity of a populous and wealthy town, not content with the extra price or rent they may freely command for its employment as building-sites, pleasure-grounds, market-gardens, accommodation-pastures, and from the saving in the expense of conveyance of its produce to market, occasioned by its proximity—if, we say, not content with these accidental and natural, but just and fair, advantages, they were to attempt to enhance the value of their monopoly, supposing them to have the power, by any legislative interference with the freedom of trade, as for instance, by interdicting the inhabitants of the town from obtaining their supplies of vegetables, meat, butter, &c., from other lands—such monopoly would undoubtedly be one of a most unfair, pernicious, and shameful character. It would be nothing less than a conspiracy to raise the price of necessaries,

The corn law, in as far as it acts, or was intended to act, in raising the rents of the landlords of this country, at the expense of the consumers of corn, by preventing their access to cheaper though more distant markets, is a monopoly of this description—only to be justified, if at all, by strong proof that the land of this country is specially burdened for the benefit of all, and requires countervailing protection in the shape of a bounty on its produce. This is a question we reserve for discussion on a future occasion.

Other examples of injurious monopolies are afforded in the exclusive privileges to carry on particular trades, or deal in particular commodities, which governments have sometimes with short-sighted policy granted to individuals. There are perhaps some rare circumstances which may justify the *temporary* concession of such privileges; as when they are proved to be necessary for the encouragement of an infant trade from which much ultimate benefit is rationally expected—like that of the East India Company when first formed—or for the rewarding of successful ingenuity, as in the case of patents; but these concessions, if at all admissible, (which is doubtful,) form but rare exceptions to the general rule, which is decidedly against all such privileges. Unquestionable proof of their specific utility should be required before they are conceded, since they are a direct infringement of the *rights* of all to the free direction of their industry. It may be strongly suspected too, *à priori*, that any business which is not promising enough to go alone without nursing, or stand the wholesome breezes of competition, is not likely

to be generally beneficial, or to succeed eventually in gaining sufficient strength to support itself.

Another hurtful kind of monopoly is that obtained by the combination or conspiracy of parties, who being enabled to command the entire supply of any article to a market, use this power for the purpose of putting an extraordinary price upon it—restricting the supply to the community in order to enhance its value, and consequently to increase their surplus profits upon their expenditure. An instance of this is the notorious combination of the great coal-owners of the north, which was exposed in a late committee of the House of Lords. Another, that of the companies by which London is supplied with water, who have divided the town among themselves, engaging mutually to confine themselves within their several districts; by which they are enabled, without fear of competition, to charge the public an exorbitant price for this most necessary article, and clear extravagant profits for their shareholders. If any attempt is made by a stranger to compete with these banded monopolists, they can by their combined influence and by a temporary relaxation of their prices, deter him effectually from the vast outlay of capital which would be necessary before he can even commence his competition, and having thus driven him away, they can return to their old charges. So that the public are completely at their mercy.

If monopolies of this character are carried to an extent which inflicts serious injury upon the mass of the people, by enhancing the price and restricting the supply of the first necessities of life,

it is incumbent on the government of the country to interfere for their protection. The law which secures to any one the exclusive property of a coal-mine, or a spring of water, is, after all, sanctioned only by its subserviency to the public welfare. And when this is notoriously and unquestionably obstructed by the mode in which the owner of the property exercises his power, the private must be made to give way before the public right. The possession of such an exclusive property assumes the character of an obnoxious exclusive privilege conferred by law, and ought, like all privileges of that nature, to be modified, or repealed, as the interest of the community may require.

The law, in fact, does continually interfere in this way with the rights of private property. If a road, or canal, is required for the public convenience, parliament makes no scruple of compelling the owners of the lands through which the line passes to give up the necessary space for it, on receiving a fair compensation for their land at its ordinary value. And nothing can be more equitable than such a practice.

For several centuries there prevailed a strong prejudice in this country against the forestallers of corn and other provisions,—dealers, that is, who, in the apprehension of a scarcity, buy them up with the intention of obtaining a monopoly of the market, and being able to retail (regrate) them out afterwards with a high profit. But the growing enlightenment of the age has placed within the comprehension of nearly every one, that such a process is on the whole far more beneficial than hurt-

ful to the people who consume the provisions. And this because the forestaller, anticipating the dearth of provisions at an earlier period than others, by his demand raises their price, and thus discourages their consumption and waste, and diminishes the severity of the subsequent scarcity. The forestaller may gain a high profit by selling dear that which he bought cheap; but if his sagacity had not led him to speculate on obtaining this high profit, by large purchases and reserves, the probability is that there would have been no supply at all for the public;—at all events, much less than has been secured by his providence. In fact, such speculating provision-dealers tend by their operations to distribute the supply pretty equally throughout the year, which, without their aid, stimulated as it alone is by the hope of monopoly profits, would be necessarily so irregular as to occasion profusion and waste at one period, dearth and famine, as their consequence, at another.

The true rule, therefore, with respect to monopolies seems to be that every one should be left at liberty to avail himself of whatever peculiar advantages fall to him by accident, or through his own exertions *fairly* and freely exercised in concurrence with other competitors—but that no one be permitted to increase his own superiority by destroying, or unfairly restraining the powers of others.—And likewise that the law (except in extreme cases, when the public benefit is unquestionably interested) should abstain altogether from either conferring exclusive advantages, or breaking them down when adventitiously established and not unfairly exercised.

What we have advanced on the elements of value makes it evident that the value (or selling price) of an article at any time and place is determined by the proportion of the demand to the supply at that time and place. And it is a change in that proportion which occasions the rising or falling of prices. The extent of the demand for, and supply of, articles, and, consequently, their relation to each other in any market, is liable to be affected by a variety of circumstances, some temporary, others more or less permanent in their operation.

I. The extent of the *Demand* for a thing depends on the intensity of the desire for its possession among a larger or smaller number of persons, and likewise upon their means of purchasing it. As Adam Smith long since said, 'Every beggar may desire a coach and six,' but to be *effectual*, to make itself sensible as a demand to the coach-makers, the desire must be accompanied by a power of purchase,—that is, by an equivalent supply of money or money's worth.

The demand for those objects which are employed as the principal subsistence and necessary comforts of a people varies least of all, being chiefly determined by the number of the population to be supported, which is not liable to sudden change,—and to their tastes and habits, which, though varying in the course of long periods of time, are equally unsusceptible of *sudden* fluctuations. A deficiency in the means at the disposal

of the mass of the 'population for purchasing the necessaries of life—such as is occasioned by a sudden rise in their price unaccompanied by a proportionate rise in the wages of labour, cannot but diminish the effectual demand for them; not however in the proportion of the increased price,—every other possible sacrifice being naturally made to obtain a sufficiency of necessaries. A fall in the price of these things, on the other hand, *does* occasion a fully proportionate increase of demand; at least in those countries, and they are unhappily many, the bulk of whose inhabitants are at all times ill-supplied with necessaries, and therefore limited in their demand for them only by a deficiency of their 'power of purchase.'

The demand for articles of ornament and convenience is liable to much more rapid and frequent changes. The caprice of man exercises, it is well known, a far more powerful sway over the intensity of his desire for superfluities, than over his necessary wants. *Fashion* prides itself on singularity, and is ever in search of novelty. So that change is of its very essence. And such changes must occasion a proportionate fluctuation in the demand for these articles, as well as for all such as are consumed in their production and supply. The introduction of a new article which obtains favour with the public, will suddenly give rise to a new and extensive demand for that particular commodity, and proportionately diminish the demand for some other whose place it takes. Thus cotton or Berlin gloves were, a year or two back, very generally substituted for leather gloves, to the great temporary detriment of the makers of the

latter article, and the proportionate benefit of the cotton hosiers. The gilt-button-makers have been severe sufferers from the general introduction of the fashion of covered silk buttons. At one time printed cotton goods are the universal wear, and the next year silks, perhaps, are in almost equal vogue. A general mourning raises the demand for all dark goods, and depresses that for the gayer fashions. Fortunately for the producers of such articles of dress, these changes of taste, though often very rapid in a particular class, never occur simultaneously throughout all the classes of society. A mode of dress which has *gone out* of fashion among the higher and wealthier ranks, will perhaps be just introducing itself in the middle class, to descend, when the latter have worn it out, to the lower and more numerous. So that the demand when slackening in one quarter is usually increasing in another. And the stuffs which have been long discarded by those whose caprice originates a fashion, are for a considerable time afterwards in full demand among a herd of tardy imitators.

II. The *supply* of goods is determined by the circumstances that affect their production, and is subject to still greater variations than the demand. Those things which are raised directly from the soil by agriculture, comprehending not only food, but the raw material of nearly all manufactures, are liable to great and frequent fluctuations in supply, from the variable character of the seasons. Abundant crops occasioned by favourable seasons cause the market to overflow with a quantity of such commodities far beyond the average supply. Unfavourable seasons create a general deficiency below

the average. Other obvious circumstances often affect for a time the supply of a market with particular commodities, such as the early setting in of a frost by which the harbours in high latitudes are blocked up before the vessels loading there can get away—the imposition of an embargo on the exporting harbour—or the interruption of the commerce between different countries by the breaking out of war.

These causes of variation in the supply of goods are more or less temporary and casual in their nature. The circumstances which determine permanently and on the whole the average supply of goods to meet the demand for them, are those which may be included under the general designation of their necessary *costs of production*.

The cost of producing any article comprehends, 1. The labour, capital, and time required to create and bring it to market in sufficient quantity to meet the effectual demand for it. 2. The additional charges occasioned through *the entire* supply being produced under monopoly of any kind. 3. Whatever additional charges are occasioned by the amount of taxation, to which it, or any of the materials employed in its production, may be subjected by the authorities possessing that power.

1. That portion of cost which consists of the labour, capital, and time, required for creating and bringing to market a sufficient supply of the article, is by far the most important. The *money-cost* of the requisite *labour* will depend on the current or ordinary remuneration of the particular kinds of labour employed at the several places where they

are put into requisition. Thus the expense of producing corn in Great Britain will materially depend on the current wages of agricultural labourers in this island. Any general fall or rise in the wages of any class of labourers engaged in production, goes to lower or raise the money cost of the articles they produce. Hence the continual struggle between labourers and their employers, as to the rate of wages; it being the direct *immediate* interest of every employer to diminish this main item in his expenses, with the view of increasing his share of the sum for which he expects to sell his commodity.

Again, the money-cost of the *capital* consumed will depend, not on its amount only, but also on the time during which it is engaged, the risks to which it is exposed, and the current rate of interest which its owner will, of course, expect to receive for its employment.

But the *real* cost, or actual amount of labour, capital, and time required for the production of any thing, will vary with the greater or less skill, knowledge, and appliances of all kinds available in aid of it.

Every improvement in the processes by which commodities of any kind are produced, contributes towards the great end of lessening the producing costs of commodities by the saving of time, capital, or labour. Every step that is made in any of the arts and sciences subservient to production tends directly to increase man's power over nature—to render a fixed amount of his labour more efficient, that is to say, productive of a larger amount of the objects of his desire. Some

of the most striking of such improvements are those continually made in the means of communication. The formation of new roads, canals, and rail-roads, with the introduction of steam navigation, have been most conspicuous among the causes which have operated of late years, and in this country especially, to reduce the cost and facilitate the supply of commodities, particularly of the more bulky articles. An instance in point is afforded by the vast increase in the traffic between Ireland and the western coast of England, since 1824, the period when steam-boats were first employed in the Irish channel. The markets of this island have thus received a prodigious addition to their supplies of provisions. Lancashire has especially profited, from the contemporaneous opening of her great rail-road, which receiving the Irish produce from the vessels at Liverpool, carries it forward with the utmost expedition, and for a trifling charge, to Manchester and its neighbourhood. Fresh meat, eggs, and butter, are thus conveyed with almost miraculous cheapness and celerity from the very centre of Ireland (whence canals take them to Dublin) into the heart of the most populous manufacturing district of Britain. The cost of provisions in these latter places must be proportionately diminished.

The *capital* employed in production consists chiefly of appliances of various kinds for facilitating labour. The main object of the invention of tools and machines of every description is the economy of labour, with a view to diminish the real cost of production. It is chiefly to the wonderful progress made of late years, and especially

in this country, in the arts of mechanical invention, that we are indebted for the superiority of modern society over that of earlier ages, in the abundance of luxuries, comforts and conveniences at the disposal of nearly every class. The immense wealth that has been produced and accumulated in this country of late years is wholly to be ascribed to the stupendous inventions and discoveries of Watt, Wedgewood, Hargraves, Arkwright, Compton, Cartwright, and a few others. "These added so prodigiously to our capacities of production, that we went on rapidly increasing in population and wealth, notwithstanding an expenditure of blood and treasure unparalleled in the history of the world. It is believed that an individual can, at this moment, by means of the improved machinery now in use, produce about two hundred times the quantity of cotton goods that an individual could produce at the accession of George III. in 1760! The improvement in other branches, though for the most part less striking than in the cotton manufacture, is still very great; and in some, as in the lace manufacture, it is little, if at all, inferior*." The loom is one of those inventions which have most signally advanced the productive capacity of man. 'Ulloa mentions that the Indians of South America have no other method of making cloth, than by taking up thread after thread of the warp, and passing the woof between them by the hand; and he adds that they are thus frequently engaged for two or three years, in the weaving of hammocks, coverlets, and other coarse cloths, which a Euro-

* Edinburgh Review, No. cxii. p. 314.]

pean would, by means of his loom, produce in as many days, or probably hours*.'

Facts like these strongly illustrate the immense benefits derived by society from improvements in machinery, by which the *real cost* of consumable goods—or the time and labour required for their production—are diminished. The prejudice against machinery, still prevalent among the poor and ignorant, and which has often shown itself in outrage and rioting, arises from the circumstance that any change in the *mode of production* of particular goods throws out of employment for a time many of those who were occupied on the superseded method; and who are unfitted, by their habits, situation, want of skill, and other circumstances, to supply the demand which must immediately spring up, somewhere or other, for labour of another kind, to be employed in the improved method. The pressure of such changes (like those we have traced to changes in fashion and demand) is often very severe and enduring; as in the instance of the unfortunate hand-loom weavers, who have, for twenty years past, been engaged in a hard but unavailing competition with the improvements of the power-loom. And these sufferings ought undoubtedly to be mitigated at the expense of society, by direct relief, but still more by the adoption of means for facilitating the transition of labourers from one branch of employment, or one locality, in which they are no longer wanted, to other employments or places in which the demand for labour is brisker. Any

* Edinburgh Review, No. cxii. p. 315.

interference with improvements from which society at large profits so greatly, for the sake of *protecting* the particular classes engaged in the employments about to be superseded, is obviously indefensible.

Interference has been often asked for by the sufferers in these cases, and their advocates. But such a principle, once admitted, it is evident, would tend directly to stop all improvement; it would have necessitated the prohibition of printing for the protection of manuscript copyists—of steam-boats for the protection of sailmakers—and of bridges for the protection of ferrymen: it would go to prevent the employment of every contrivance by which human labour is aided in any branch of industry, and reduce us,—as was well observed by a Glasgow operative before a committee of the House of Commons—to the teeth and nails as our sole instruments of production. The sure result of every improvement in machinery is an increased production of the means of enjoyment. Whatever partial evils attend that beneficial result, may and ought to be mitigated by other means than by placing obstacles in the way of the march of improvement.

Capital which consists in tools or machinery, is more or less durable, and will usually aid in the successive production of a large quantity of commodities before it is wholly consumed. The portion of such capital that is consumed in production enters as an element into cost, together with the current rate of profit upon it for the time during which it has been advanced. Thus the cost of one hundred quarters of corn to the grower includes, besides his labourers' wages

and his own, the value of that portion of his stock (viz., seed-corn, ploughs, harrows, and other implements, horses, horse-provender, manure, &c.,) which has been consumed in raising his crop, together with the current profit on the value of every several portion of this capital for the time during which it has been employed in the production of his corn. Hence, improvements which save any part of the time necessarily consumed in the business of production, effect a material reduction in the cost of the produce, by lessening the amount of profit chargeable on the capital employed, as well as the amount of wages chargeable for the labour of those who assist in, or superintend, the work. The improvements we have just noticed in communications of every kind, and above all the extraordinary acceleration which has taken place of late years in the conveyance of both public and private intelligence, throughout this and other countries, have contributed in a remarkable degree to diminish the producing costs of many objects by enabling their producers to save much of the time which was formerly wasted in the intervals between the different stages of the process of production, as well as between its completion and final sale. If a manufacturer is able through such circumstances to turn his capital twice in the year, where formerly he could have turned it but once, that portion of the producing cost of his article which consists of the profit on the capital employed, and of the wages of himself, and perhaps several of his assistant labourers, his clerks, &c., will be but half what it was at the former period.

2. When the *entire* supply of a commodity, or

of any of the elements necessary to the production of a commodity, is produced under a monopoly, the extraordinary charges which the owner of the monopoly is thereby enabled to make, go to swell the amount of its cost. Thus the proprietor of a patent or secret process by which a particular article is exclusively produced, has it in his power to charge a monopoly price for his article beyond the amount of the ordinary wages and profits on the labour and capital consumed in its production. So the owner of a vineyard, which, like that of Tokay, or Chateau Margaut, exclusively produces wine of a peculiarly fine quality, is enabled to raise the price of its produce to those who buy of him far beyond the ordinary remuneration for the capital and labour expended upon it. And these extraordinary charges enter into the *producing cost* of the article, because their payment is the *necessary condition* of its production for sale. Unless their terms are agreed to, the monopolists may decline to produce or sell the article at all. All commodities which, in any stage of their production, or in any one of their necessary elements, are subject to similar charges for exclusive powers or privileges, are proportionably raised in producing cost. And their cost is proportionably lowered by the breaking down of any such monopolies, and the opening to all of the power or privilege so exercised by a few. But it must be observed that the payment of all such monopoly charges is wholly voluntary on the part of the consumer, who has no right to complain of its exaction, so long as he is left free to purchase or procure the article in any cheaper manner if he can.

When, however, only *a portion* of the entire supply is produced under a monopoly, the necessary cost of the article is not affected by such monopoly, but consists solely of the labour, time, and capital required to produce *that portion* of the supply which is brought to market under the least favourable circumstances to its producers, and consequently, under no monopoly. Though the parties concerned in the production of the remaining portion of the supply receive a monopoly profit, they do not thereby raise the price of their article. It is out of their power by refusing to produce, or by any other means, to raise the price one jot beyond that at which the commodity can be supplied by other parties who will be content to get the current profit on capital and wages of labour. The proprietor of a peculiarly rich or well-situated coal mine, for example, obtains a monopoly profit upon his produce, consisting of the difference between the cost of producing the article from his mine, and the cost of the same article from the poorest or worst-situated mine of all by which the market is habitually supplied. But the price of the entire supply of coal is determined by the cost of this latter portion, and is therefore in no degree raised by the superior advantages enjoyed by the owner of the best mines. The same law, as we have already seen, applies to all raw produce derived from land;—the cost of which is in no degree affected by the rent of the best lands; but is determined by the labour, capital, and time required for its production from the least favourably situated lands of all that habitually supply the same market.

3. It is obvious that the amount of *taxation* to which a commodity is liable, in itself or any of its component elements, must add just so much to the cost of producing it for sale in the market, together with the current rate of profit on the sums so paid for the time during which they have been advanced. A diminution of the customs duties on foreign produce, or of the taxes levied on articles of home growth or manufacture, or on any of the materials employed in their production, has the effect of diminishing their cost to the producer. So also the breaking out of a war, by increasing the premium on marine insurances, adds to the producing cost of all imported goods.*

* The majority of political economists, in pursuance of the fallacy already exposed of identifying value with labour, resolve cost of production into the quantity of *labour* only, required for producing the article. It is scarcely necessary to say more in refutation of so palpable an error. Land and capital must unite with labour in the production of every thing, and the owners of land and capital, no less than the owners of labour, have the power of demanding and are in the habit of receiving a share of the value of every commodity, in return for what they contribute towards its production. And even though we should exclude from consideration all monopoly charges, and view the value of land and capital as the result merely of anterior labour, yet it would be in the highest degree irrational to refuse to distinguish the labour that inclosed and cleared a field, planted an oak, or raised a building centuries ago, or that which built a ship, or framed a machine several years back, from the labour which is employed at the present time in using the land, building, timber, vessel, or machine, in the preparation of something for immediate sale. Nor even though we admitted all land and capital to owe their value to labour, would this suffice to resolve cost ultimately into labour. For it will not be denied that *profit* is a constant element in cost. And this, as we have proved, is a compensation not for labour,

It is quite evident that the cost of producing any article must in the long run determine its price (or selling value.) For unless a price can be obtained sufficient to cover this cost, no one will continue to produce it for sale at that expense.

A sudden increase of demand, or a casual deficiency of supply, will frequently raise prices above this level; as a diminished demand, or an accidental increase of the supply beyond the demand, will lower them beneath it. Such effect is, however, but temporary. The constant tendency both of demand and supply is to come to an equilibrium, and the point about which they oscillate is that selling price of the commodity which will just cover the cost of its production at that time and place.

Should the price fall below this level, producers find that particular branch of industry a less advantageous mode of employing their capital and labour than others, and some are therefore led to discontinue it; or those who were on the point of embarking in it are led to prefer another occupation. The supply is thus generally diminished, until it is brought down at least to the level of that extent of demand which will pay the producing cost.

When, on the other hand, the supply is deficient

but for the *time* during which the owner of capital has allowed it to be employed productively with a view to ultimate remuneration, instead of consuming it immediately on his personal gratification. It is also clear, as has been shown above, that monopoly charges, as well as taxation, wherever they exist, are included in costs of production, together with the ordinary elements.

as compared to the demand, the price rising in consequence above the cost of production, producers are encouraged by an increase of profits to enlarge their business, and invest additional capital and labour in that particular trade, until the increased supply meets the demand, and brings down the price to the level of the producing cost.

These oscillations of price about the mean level of the costs of production are continually taking place ;—the circumstances which influence supply and demand being of so complicated a character that the one can never for a length of time remain exactly adjusted to the other. The producers can never anticipate with precision the extent of the demand, and will therefore usually be something within or beyond it. Moreover, as we have seen, supply and demand act and re-act on each other. An increased supply by lowering price not only tempts those that employed the article previously to enlarge their consumption, but likewise brings it within reach of a wider circle of consumers, who acquire a taste for it which usually continues even when the price has again risen. Hence a permanent increase of demand is generally established by a temporary fall of price. An increased demand by augmenting profits attracts fresh speculators into the business, and in turn raises the supply.

The *competition* of individual producers is in this way constantly tending to equalize the supply and demand. Each acting in his own sphere, actuated by the instinct of self-interest alone, endeavours to produce as much as he can sell with a fair profit, and yet to produce no more than he can so

dispose of:—each and all endeavour, for their several interests, to *keep the supply full, but to prevent excess.*

Competition is, indeed, the soul of industry, the animating spirit of production, the ever-present, all-pervading elastic principle, which, like the power of gravitation on the atmosphere and ocean, fills every vacuum in the market of exchanges,—equalizes the quantity of every commodity to the necessity for it—and preserves their relative values at the mean level of their comparative estimation in the regard of the great body of consumers. Every one who sees his neighbour getting an advantage which lies open to himself—a higher profit or a larger wage—anxious to share in the benefit, starts as his rival, if it be possible for him to do so; that is to say, where no monopoly interferes to prevent him; and the number of competitors who thus throw themselves into any peculiarly advantageous business, must speedily reduce its profits to the general level, and its prices to the necessary costs of production.

Monopoly and competition are antagonist principles, working constantly against each other, but in such a way as to benefit society by the result of their joint forces. The object of the monopolist is to limit the supply, in order to raise the price. The struggle of competitors to share the advantages of the monopolist tends to increase the supply, and therefore lowers price. The first principle befriends the public by holding out high encouragement to invention, skill, and improvement; the other, by reducing the price the public have to pay for improvements to the lowest point consistent

with the continuance of a sufficient encouragement to their invention.

The mode in which the principles we have been analyzing determine the direction and extent of productive operations will be seen, perhaps, with greater clearness, if we examine briefly some of the simplest habitual modes of employing capital and labour.

Suppose A. to possess property of the value of a thousand pounds.

1. If he *realize*, that is, sell it for a thousand pounds in *money*, it is then in that form which combines, perhaps, the greatest security and convenience, as enabling him to make whatever use he pleases of it,—to remove with it to any part of the world,—to expend it on his own gratification,—or to employ it in any productive investment which offers at the moment the highest advantages. But so long as he retains it in the shape of money in his pocket or his chest, it is of no other advantage to him than what he may derive from a feeling of its security, and of his power of commanding through its means any thing in the market up to that value. If he wish to make a profit of his money, as a source of revenue, he must change its mode of investment.

2. He may, for example, lend it to some one who is in want of money, on securities of a private nature, such as bills, bonds, mortgages of land or buildings, &c., or of a public nature, as Government, East India, or Bank stock, canal and company shares, &c. The latter class of securities are readily *available*; that is to say,

the owner may *realize* or turn them again into money whenever he chooses; but they fluctuate in value, and may sell therefore for more or less than was given for them. All bear the current interest on money, with a difference determined chiefly by the more or less of risk attached to each, and the more or less of trouble and expense attending their transfer.

These monied investments are all mere debts, or claims representing money expended (often unproductively), but for which some productive property stands pledged. They may, therefore, be considered as part-ownerships in the property so burdened. Some, as mortgages and government stock, have a priority of claim for a definite return to that of all other owners. Some, as canal and company shares, bank and East India stock, are subject to similar fluctuations in value, through causes affecting the returns of these respective speculations, as the capital embarked in private concerns.

Property of this kind, consisting in money obligations, is clearly quite distinct from capital, though it is frequently confounded with it in common conversation. It brings interest to the owner, but is not productive as regards the community generally. It merely represents the claim of one party to a portion of the returns of the land, capital, or labour of some others. If these claims were reckoned in a calculation of the national capital, they would be counted twice over; once in the hands of those who pay the interest of the debt with which their capital is burdened, and again in the hands of the creditor who receives that interest. The national debt, for example, is not

capital; but rather the reverse. It is a burden upon the capital and industry of the nation, which are pledged for its payment. If the national debt and all other money securities were abolished to-morrow, there would be neither more nor less of capital in the country than before. But the profits of capital and the wages of labour would be raised by the annihilation of a prior claim upon the aggregate produce to that of the producers themselves. At the same time, the injustice of such a 'sponging' process is manifest. The creditors have given, and the debtors have received, expended, and profited from, what both parties considered an equivalent to the claim. The former may be looked upon as 'sleeping partners' in the business, which the latter are enabled to carry on by means of the advances of capital or other necessary aid, which have been made to them. And the right, therefore, of the national (or any other) creditor to his stipulated share of the national produce, is as strong, and rests on the same grounds of equity, as that of the landowner, the capitalist, and the labourer, to their stipulated portions of whatever they have voluntarily combined to produce.

3. But instead of monied securities, A. may prefer to invest his thousand pounds in some productive business;—in supplying or aiding the supply of some market with goods. He may do this as a 'sleeping partner;' in which case he will expect only to make a profit on his capital little greater than the current interest of money, after allowing for all the risks to which the business in which it is embarked is exposed. Or he may engage per-

sonally in the business ; in which case, besides this profit on his capital, he will expect to gain a remuneration for his labour. Perhaps he will *speculate*, as it is called, in goods—buying one day, when he considers prices are low and likely to rise, to sell again after an interval,—or, as a *wholesale dealer*, he will purchase of the grower, or manufacturer, or importer of an article, and sell to the retail dealers,—or, as a *retail dealer* purchasing of the wholesale dealer, he will sell to the *consumers* in such quantities as are required for immediate use. In every case he acts with a view to profit by selling for more money than he gives ; and this profit must, on the average, be sufficient to pay him interest on his capital during the time it is employed ; to repay, moreover, his personal trouble and skill, as well as all expenses incurred between the purchase and sale—as carriage, shop and warehouse rent, taxes, &c. ; and likewise to cover the risk which he takes upon himself of damage to his goods while they remain with him, and of a fall in the market-prices. It is evident, that, to cover all these items, a very considerable per centage of gross annual profit on his capital must usually be necessary. In such engagements, however, the capital is seldom long in being realized, or turned again into money. Most capitalists of this class, which comprehends all merchants, wholesale dealers, and shopkeepers, *turn* their capitals more than once—often several times, in the year. So that, as already remarked, a small profit on the price of each article sold may afford a very large annual profit on the capital employed.

4. Perhaps it may suit the views of A to expend his capital in the acquisition of the skill and knowledge, or *ability*, requisite for some *professional* business; in studying the law, for instance, or medicine, or surgery, or divinity, or commerce, and fitting himself for the practice of one of these professions. Or he may purchase a commission in the army. These are modes of investing capital subject to much risk—not the least of which is that of death or sickness, by which the value of the acquired ability may be annihilated at once. But in proportion to the number of blanks is the greatness of the prizes, so that there is never any want of competition in such occupations. Capital so expended in the acquisition of personal qualifications or advantages, loses its name, and assumes that of ability. Its returns can no longer be properly called profit, but wages, salary, or professional gains.

5. Or A. may prefer to invest his thousand pounds in the purchase of *land*. This is generally reckoned the most permanent and secure of all investments, as being less exposed to loss by commercial or political convulsions; and it consequently returns, on the average, a less interest than any other. But it has its disadvantages, particularly in the high stamp duties imposed in this country on deeds of sale, mortgage, &c. which are partly compensated, though in a most awkward manner, by the exemption of landed property from the probate duty. There is likewise much difficulty in finding a purchaser for land at any time when its owner wishes to sell, owing to the variety of tastes respecting situation, residence, &c.

The growing burthen of poor-rates, and its fluctuating character, is another disadvantage, which, of late years more especially, has attached itself to landed investments.

When A. has purchased land, he may either let it to those who will pay him, in the shape of rent, the interest on the capital he has so invested; or he may cultivate it himself, for which purpose he will require an additional capital.

6. Let us suppose that, instead of purchasing, he employs his capital in cultivating, or as it is called, 'farming' land. For this he must lay out a part in the purchase of tools and implements of husbandry, called *dead stock*,—part in cattle, sheep, pigs, horses, &c., or *live stock*; and part he will keep by him in the shape of money, with which to pay the wages of his labourers and other current expenses. He now looks for his profit and personal remuneration to the surplus of the sum for which he sells the annual produce of his farm, beyond what is necessary to pay his *rent*, and maintain his capital at its full former value;—in other words, to compensate for the wear and tear of his *dead*, and to replace his *live stock*, and, moreover, to cover his average risk of loss from casualties, bad seasons, &c. His rent will be a matter of agreement between himself and the landlord, before he enters on his occupation. But he will not be likely to agree to pay *more* than what will, according to the best calculation he can make at the time, of the probable produce of the farm, leave him a decent maintenance in return for his own exertions, and a net profit on his capital equal to the ordinary rate which he could

have obtained in other lines of business, or monied investments. Nor, on the other hand, is the owner of the farm likely to let it for *less* than such a rent, which it is evident he could make for himself by cultivating it on his own account, either personally, or through an honest agent or bailiff. For these reasons, the average rent of land equals, and may be said to consist of, that surplus of its average annual produce which remains after replacing the capital required to cultivate it, and paying the current profit upon that capital, and the current remuneration of farming labour.

If A. rent his farm at the *will* of his landlord, *i. e.*, from year to year, he will usually take care to expend no more upon his land every year than what he can get off it within the year. But if he rent on a *lease* for a term of years, or occupy his own land,—or, in some rare cases of confidence in his landlord, even when occupying as tenant at will only—he will probably lay out some of his capital in durable improvements of his farm; for example, in draining wet lands, clearing fresh soil, adding to the farm-buildings, or such a system of manuring and cultivation as can only be expected to repay the outlay within a period of some years.

That part of his capital which he expends in this manner, is fixed to the soil, and cannot, like his moveable stock, live and dead, be realized by *sale*. He can only expect to get it back by degrees, in the form of an increased annual produce from his farm; which increase, if the improvement be of a *permanent* nature, assumes thenceforward the character of *rent*, and upon the

termination of the lease accrues to the landlord in an increase of his rent. If the improvement is fitted only to last a certain term of years, as the lime-manuring of land, temporary farm-buildings, and improved rotations of crops, the increased return must be sufficient to replace the capital expended at the end of the term, and pay the usual profit, or the farmer will not be induced to lay out his capital in effecting it. Capital expended in the latter way, is precisely on the footing of that laid out in perishable implements, or dead stock, except in the circumstance of its not being removeable. And a hundred pounds laid out in implements which may be expected to last ten years, ought to bring in the same gross return as a hundred pounds laid out in manuring a field in a mode of which the effect may be expected to last the same time.

It is clear that lasting improvements on land cannot be expected from farmers who have no leases; and hence where tenancy at will prevails, as it does at present over the greater part of England, the repairs as well as all permanent improvements have to be undertaken by the landlord, if at all. It is more than doubtful whether, under such a system, the land is cultivated so well, or rendered so productive, as under a system of leases. But the uncertain prices of late years have naturally indisposed landlords to put their land out of their own disposal for a long term; during which, if prices rise, the tenant reaps the entire benefit—whereas if they fall, the landlord finds himself obliged to remit the stipulated rent, lest his tenant ruin his farm by a deficiency

of capital for its proper cultivation. Hence leases, in times of great fluctuation in the prices of agricultural produce, are a protection to the tenant, but not to the landlord. Why prices have fluctuated so injuriously, and how they may be steadied, is a question to which we shall recur hereafter.

7. Should A. prefer the business of a *manufacturer*, he, perhaps, lays out a part of his capital in buildings and machinery, fixed, more or less, to the soil, like some of those in the case last considered. Another part of his capital is employed in the occasional purchase of raw material, tools, &c., and another in the frequent payment of the wages of his workmen. Or he may *rent* the buildings, machinery, &c., and employ his whole capital in the latter forms. His returns must in this case, as in that of the farmer, be sufficient, besides recompensing his own trouble and skill, to replace his floating capital—that, namely, (as already explained,) which circulates within the year—with the ordinary rate of profit; to replace his fixed or more durable capital at the end of the term which it is calculated to last, with the same profit; and moreover to cover all the risks peculiar to the business,—such as that of the article he fabricates being superseded by a change in the taste, and consequently in the demand, of the public—or the machinery he employs by a new and superior invention. The risks of these kinds attached to manufacturing operations are (for reasons we have, in part, already given) much greater than in agriculture; and hence the compensation or insurance against such risks must be proportionately large. It has not been uncommon, of

late, for buildings and machinery, on which thousands of pounds had been expended, to fall in value in a very brief period, through changes in the demand of the market, the introduction of improved machinery,* or a general depression of trade—to little or nothing. In times of depression, indeed, (such as we have seen but too often, and may be said hardly yet to have emerged from,) it is not uncommon for manufacturers,—rather than shut up their factories or works (which would in that state rapidly go to decay), and give up business,—to renounce the idea of getting *any* return from their fixed capital, and to work on, even under a loss upon their floating capital, in hopes of better times arriving to repay them for the sacrifice, by once more giving them a fair profit on their entire concern.

8. Persons who embark their capital in working mines, in building houses or ships, and in a variety of other productive investments, are circumstanced, in all essential points, like the farmer or manu-

* ‘Machinery for producing any commodity in great demand seldom wears out; new improvements, by which the same operations can be executed either more quickly or better, generally superseding it long before that period arrives: indeed, to make such an improved machine profitable, it is usually reckoned that in five years it ought to have paid itself, and in ten to be superseded by a better.’ ‘The improvement which took place not long ago in frames for making patent net was so great, that a machine in good repair, which cost 1200*l.*, sold a few years after for 60*l.* During the great speculations in that trade, the improvements succeeded each other so rapidly, that machines which had never been finished were abandoned in the hands of their makers, because new improvements had superseded their utility.’ Babbage, *Economy of Manufactures*, p. 233.

facturer just described. A part of this capital is fixed in more or less durable objects, and ought to bring in a sufficient annual return to replace the wear and tear, and maintain the value of the capital; part is floating, or circulating within the year, in the purchase of materials and stocks of goods, and the payment of wages, taxes, rent, &c.

None of these different modes of employing capital, it is quite evident, would be undertaken, if they did not hold out a fair expectation of such returns as will both pay the ordinary rate of profit upon the whole capital employed for the time required for its circulation, and enable its owner to replace it at the end of that term, as well as remunerate him for his skill and trouble, according to the standard of remuneration generally expected by his class. No business would be entered upon that did not fairly promise this. And, therefore, for a market to be habitually supplied with any commodity, the necessary condition is that it sell, on an average, for a sufficient price to repay these, the elementary costs of its production.

When the supply of any goods in any market is in excess over the demand, so as to reduce their selling price below the elementary costs of production, there is said to be a *glut* of them. This glut may be partial, as when confined to one market;—in which the evil soon cures itself by a transfer of the goods to other markets, where the demand is brisker. Or it may be general, with respect to the markets, but confined to a single article. This, likewise, is for the most part speedily corrected, by a portion of the producers

transferring their labour and capital to some other more profitable occupation.

But can there be a general and simultaneous glut in all the markets of a country, not of one or a few articles only, but of a large majority, or the great mass of commodities? This is a question which has been much and hotly disputed by political economists. That goods of all kinds are frequently sold below their prime cost, is but too well known to commercial men. Forced sales, caused by the bankruptcy or temporary embarrassment of the owners requiring them to be instantly turned into money at any sacrifice, are continually occurring; and a certain proportion of goods thus constantly find their way into the consumer's hands at less than cost price. In times of general embarrassment and of a scarcity of money in circulation, (such as we have witnessed almost periodically for some years past,) still larger quantities of goods continue to be produced and sold for some time at a continual loss to their producers. This is chiefly owing to two circumstances: 1st. The impossibility of realizing fixed capital at such times, so that those who have a large proportion of their property embarked in buildings, machinery, stock, or implements, must continue to employ it in production, though at a tremendous loss, rather than let their fixed capital lay wholly idle, and their buildings, machinery, &c., go to decay for want of use and repairs. 2nd. The very distress caused by a want of remunerative prices in some trades tends to increase their production. Workmen, in consequence of the fall in their wages by the piece, work the

harder in order to obtain a higher pay by the day. And capitalists, likewise, in their struggles to avoid ruin, try to make up for diminished profits by increased sales*.

All this increase of production, by adding to the glut, tends to cause a yet further fall in prices, and to occasion further losses to the producers. But in the economical, as in the moral and physical worlds, there are few evils that do not sooner or later work out their own cure. Even in the apparently desperate state of things we have been describing, there are elements in operation of a nature to bring about an improvement. The extraordinary cheapness of goods produced in increased quantities at a continual loss, opens their consumption to a lower and more numerous class of purchasers. They make their way into new markets, and are employed in substitution for other goods, or for purposes to which they had not previously been applied. A new and enlarged demand thus springs up: and in the mean time, the anxiety of the producers to diminish their expenses forces them to task their ingenuity to the

* Mr. T. Attwood, in his Examination before the Committee of Secrecy on the Bank Charter question in 1831, says, "Nothing is more common than for manufacturers to increase their establishments at the very time they are upon the road to ruin. In the iron trade, for example, if they have two furnaces they will build a third, because the loss upon the two furnaces is 10s. a ton, but upon the three, it will be reduced to 5s. a ton. Within the last five or six months, when the iron masters and manufacturers generally are all going to ruin, and in a state I do not like to describe, they are, many of them, enlarging their works, not to partake of profit, but to prolong the path to ruin, by diminishing their general charges." 5654-5.

utmost, in the invention of new machines or processes, by which a saving of cost may be effected ; so that it often happens by the time a new and enlarged demand has been established through the sacrifice of large stocks of goods at losing prices, that the producers find themselves enabled to supply this demand at these same prices, with a profit. We believe the history of the silk, the iron, the glove, and the cotton-trade, and perhaps of many more, within the last few years, affords decided instances of an extended beneficial demand having been thus bought by temporary sacrifices.

It is, however, strongly to be suspected that such epochs of general embarrassment and distress among the productive classes, accompanied—indeed, brought on—by a general glut or apparent excess of the stocks of all goods in every market,—phenomena of which sad experience has of late too frequently attested the real existence, in spite of what theory may urge as to their impossibility—it is to be suspected, we say, that such phenomena are anomalies, not in the order of events which flow from the simple and natural laws of production, but occasioned by the force of some artificial disturbing cause or other, introduced through the fraud or folly of the rulers of the social communities they so grievously affect. A few words will explain our meaning as far as we think it necessary to proceed in the development of this important principle on the present occasion.

We have hitherto spoken of *price* as synonymous with value. But in truth, this is only on the faith of the conventional assumption which is the basis of all commercial interchange, that

money is a *true* measure of value. Unhappily, this assumption is far from well-founded—nay, it may be pronounced a pernicious fallacy. Money, whether of intrinsic value, as coin, or the representative only of value, as bank-notes, is, like every other changeable commodity, liable to *vary in value* with changes in the relation of its demand and supply. Gold and silver money freely coined, must vary in local value with every alteration (and they are very frequent) in the local supply and demand of the precious metals. Bank paper payable on demand in coin must vary precisely in value with the metal into which it is by law convertible at the option of its possessor. Inconvertible paper-money will vary whenever the quantity in circulation is either beyond or within the quantity which is required, at the time, for the exigencies of commerce, in the country through which the paper circulates. And as these exigencies are continually fluctuating, and there exists no test by which their extent can be at any time gauged, this kind of money likewise must be frequently varying in value.

Bearing in mind this instability of value inherent in money of all kinds, we cannot fail to perceive that a general glut—that is, a general fall in the *prices* of the mass of commodities below their producing cost—is tantamount to a rise in the general exchangeable value of money; and is a proof, not of an excessive supply of goods, but of a deficient supply of money, against which the goods have to be exchanged. Suppose every article in the market to have fallen in price fifty per cent. This is no proof that any one article

has fallen in *value*—that is, in general estimation as compared with the rest. Still less is it any proof that there has been an over-production of all goods—(which is in fact an unintelligible proposition, for how can there be *too great an abundance of all good things*? Can the desires of man ever be sated?) It is simply a proof that the value of *money* has risen one hundred per cent.

But money, being employed as the measure of value, ought essentially to be invariable itself in value. Lamentable, therefore, is the ignorance and neglect of those governments, which, while enforcing the employment of money of any kind as a medium of exchange, take no precautions against its liability to vary in value, and permit such variations to derange the whole course of trade, to vitiate all money contracts, and convert, as we have witnessed in late years, the triumphs of invention, the success of industry—the very abundance of produce of every description, into a source of suffering to every class of producers!

It is unpardonable mismanagement only of this kind that *can* so far invert the natural character of things, and give rise to so paradoxical a phenomenon as universal over-production. Of such mismanagement we shall have examples to offer at a later period, as well as propositions for its correction. Meantime we proceed to examine the nature of the existing arrangements for the distribution of wealth.

CHAPTER IX.

DISTRIBUTION OF WEALTH.

Natural and necessary inequality of Conditions and Property.—Adventitious advantages.—Natural Right of Succession to Property by Will or Inheritance.—Variety of conventional Rules.—Test of their Equity.—Natural Distribution of new Wealth—among Labourers, Land-owners, and Capitalists—Can be determined only by the principle of free Exchange.—The same principle tends to the greatest increase of distributable Produce.—Limitation of interference of Government to the securing of Persons and Property.

IN as far as we have hitherto traced the natural laws which determine the production of wealth, it has, we think, been apparent throughout that the conditions most favourable for its increase are the free and secure enjoyment by every adult individual of his personal liberty, natural advantages, and acquired property,—conditions which necessarily include freedom of industry and exchange, and the free use of the spontaneous bounty of Heaven.

There would have been good reason for presuming *à priori* that the general rules which tend to bring about the greatest aggregate of production are the most favourable to the interest of all consumers. For the more there is to divide, the larger, *it is probable*, will be the share of each.

But we are not left on this point to a mere balancing of probabilities. For it may be made palpably manifest that these great and abiding principles, at the same time that they swell the amount of wealth, tend likewise to *distribute* it in the most equitable manner among the various classes of individuals who have in any way co-operated in its production. The latter tendency is, indeed, the condition and cause of the former. The certainty of freely and fully enjoying the fruits of productive labour and ingenuity is the most efficient stimulus to the exertion of these powers and the increase of their results. It is the main object of this work to prove, that the greatest aggregate production of wealth flows from the same plain and simple principles of natural right which ensure its most equitable distribution, and tend at the same time to the production of the greatest aggregate of human happiness.*

We say the most *equitable* distribution. Great was the mistake of those philanthropists who have interpreted an *equitable* distribution of the good things of life to mean their *equal* distribution. No

* This is in no degree inconsistent with what was urged in an earlier chapter (p. 53), as to an increase of wealth being no measure of the increase of happiness. Wealth may *for a time* be increased at a great sacrifice of human happiness, as in the instances we there gave,—though, *in the long run*, such sacrifices will be found to have occasioned a diminution of the aggregate productiveness, by checking the growth of population, and the improvement of the arts and sciences, which require a condition of ease, leisure, and plenty, freedom both of the physical and mental faculties, the stimulus of hope, and the prospect of an indefinite amelioration of our circumstances, for their full development.

two conditions can be more incongruous than these. Any attempt to effect an equality of property among men, instead of approaching to equity, would involve the extreme of injustice;—instead of being consonant to the law of nature, such a state could only be maintained by the continual infraction of the law of nature.

The difference naturally existing between the bodily and mental powers and dispositions of individuals must necessarily, under the natural law of production and distribution, create great inequality in their several possessions and stations. However equal their position when they began the world, the industrious, sharp-witted, intelligent, active, energetic, ingenious, prudent, and frugal, must speedily leave behind the idle, slow, stupid, careless, improvident and extravagant. The former will acquire considerable property under the same circumstances in which the latter will scarcely perhaps procure a maintenance. But any attempt to counteract this the natural law of distribution, which awards to each workman the produce of his own exertions, must proportionately check the disposition of each to avail himself of his natural capacity, or to acquire additional powers, and would therefore, be no less impolitic than unjust.

Accidental circumstances add, no doubt, to this natural and necessary inequality of conditions. Yet would it not be safe or right to interfere with their influence; since it is almost impossible to separate the advantages that an individual derives by accident from those which are the consequence of foresight and enterprise. A man's property may certainly be improved by accident; as for

example, by the discovery of a productive vein of metal or coal, or a valuable quarry on his estate. But who is to determine whether his discovery was not in a great degree, perhaps wholly, the result of laborious study and research? Were the right of property denied, or interfered with, in such things as *appeared* to derive a value from accident, it is obvious that much of the ingenuity and inquisitiveness of research which is one of the main springs of economical improvement, would be deadened by the uncertainty of obtaining its just reward.

It has been proposed as an exceedingly just mode of raising a national revenue that the *rent* of land should be directly taxed; or, at least, that portion of rent which is the result of *accidents of position*. The same objection (and it is a very strong one) applies to this proposal. It is very true that the value of a landed estate sometimes rises enormously without any exertions on the part of its proprietor, but in consequence either of its fortuitous proximity to a flourishing manufacturing or commercial town,—of a new canal or rail-road being carried through it,—or of its soil or situation being found peculiarly adapted to the growth of some valuable products. The high land-rents of the Grosvenor and Portman metropolitan estates may be adduced as instancing an increase of the first kind; many estates of the midland manufacturing districts will afford examples of the second; and some of the hop-grounds of the southern counties of the third. But is it certain that the proprietor of land under such circumstances is wholly passive, and takes no part in

promoting and encouraging the improvement which is likely to confer on him so special a benefit? We do not dispute that, in the case of growing towns, it is the duty of every government, acting for the interests of the public, to make an early and sufficient reservation of tracts of land in their immediate neighbourhood, to be applied to purposes of public health and convenience. But further interference, even in such an extreme case, would probably be deleterious. In the improvement and extension of towns,—in the construction of new canals, rail-roads, and turnpike roads, it is usual to see the proprietors of land whose interests are likely to be advanced by such measures, take a very prominent part; and any tax upon the increased rents derived from such general improvements would be certain to delay and discourage their execution.

Of the causes of inequality in the economical condition of men there are none more strikingly obvious, or more frequently declaimed against as artificial and unjust, than the laws of inheritance and succession to property.

In speaking of the natural right to property as founded solely on the labour by which it is appropriated, we purposely deferred the consideration of the question as to the devolution of the right on the decease of the individual labourer. It would clearly be quite contrary to the interests of society that property on the death of its owner should cease to belong to any one; since this could not fail to renew all the dangerous personal struggles and ceaseless contentions which it is the great object of all the primary institutions of society to

prevent. It is equally evident that since the perfect and complete ownership of property, necessary, as we have seen, to stimulate its production, includes the power of freely disposing of it *by sale, loan, or gift*, in any manner the owner pleases, it *must* in reason include the power of disposing of it after death. For a denial of that power, or any serious restraint upon it, would be easily evaded by disposing of the property by gift, or sale, during life, instead of by testamentary bequest. The liberty to appoint a successor to property after death is, therefore, part and parcel of the natural right to its ownership and free disposal, and cannot be reasonably or safely separated from it. That it has ever been so considered by the unprejudiced sentiments of mankind is shown by the almost universal prevalence through every age and nation, of a law or custom, giving a dying person the power of disposing of his property by will.

In the absence of testamentary disposition, the natural rule is clearly *inheritance*; that is to say, that the property devolve on the children, or, in default, on the nearest relatives of the deceased owner, upon the reasonable presumption that, if he had not neglected to make a will, or been prevented from doing so by casualty, he would have disposed of his property in that manner.* The

* Blackstone calls 'the permanent right to property,' as well as that of children to the inheritance of their parents, 'not a *natural* but a *civil* right.' His learned commentator, Professor Christian, justly corrects this very obvious error. 'The notion,' he says, 'of property is universal, and is suggested to the mind of man by reason and nature, prior to

necessity is very obvious, that the rules of inheritance or succession should be strictly laid down by law in order to prevent that confusion which any doubt as to its ownership must occasion.

The rules established on this ground in different countries have varied greatly; and all these varieties cannot be equally accordant with natural right, that is, with the permanent interests of society. Some indeed are manifestly impolitic, from interfering too much with the natural laws of distribution, and that free disposal of the products of industry which is so essential to its encouragement. Others err in the opposite sense, by permitting the owner of landed property to determine its devolution not merely to a single immediate successor, but to an endless succession, through continued generations.* To confer such a power on any individual is evidently unjustifiable. Property, landed property especially, requires continual protection, repairs, and expensive management. The land-owner who, during a long

all positive institutions. If the laws of the land were suspended, we should be under the same moral obligation to refrain from invading each other's property, as from attacking each other's persons.' Again, 'the affection of parents towards their children is the most powerful and universal principle which nature has implanted in the human breast; and it cannot be conceived, even in the savage state, that any one is so destitute of affection and of reason as not to revolt at the position that a stranger has as good a right as his children to the property of a deceased parent. *Hæredes successoresque sui liberi*, seems not to have been confined to the woods of Germany, but to be one of the first laws of the code of Nature?' *Blackstone*, vol. ii. p. 11.

* The law of France may be instanced, perhaps, as an example of the first error, that of Scotland of the last.

occupation, has, at much pains and cost to himself, preserved or increased the value of his estate, has earned as equitable a right to dispose of it at his death as any of its former possessors, even as he who may have originally rescued it from a state of waste. To deny him this power is to lessen his interest in doing justice to his property. It is, in fact, acting in opposition to the very principle which alone sanctions the establishment of any right at all to property in land,—the expediency of encouraging its improvement. There are many other strong grounds of objection, political and moral, both to endless entails,—perhaps to any kind of entail,—as well as to the determination by law of the right of succession; but we forbear to dwell on them, as likely to lead us too far from our subject. It is sufficient to have shown that their tendency is destructive of the very principle on which the right to property in land is founded. The true course which legislation should endeavour to steer is such as will afford to individuals a sufficient power of disposition over their property as may encourage them to preserve and improve it, and at the same time prevent the tying up in mortmain of large properties, and the excessive accumulation of landed estates in few hands.

It is clear, from what has been said on this point, that the mode in which wealth distributes itself by the free operation of the natural laws of production necessarily occasions great inequalities of property and position among the members of every society. Under this *natural* system of distribution,—which will be that of all just and wise legislation,—some may possess wealth beyond

what their own exertions have produced, and which has devolved to them by gift or bequest ;— but all who have contributed to the production of new wealth will be confirmed in the enjoyment and free disposal of whatever they have created.

Let us take a rapid survey of the different channels into which all newly created wealth will spontaneously distribute itself.

There are, as has been shown, but three elementary sources of wealth—labour, land, and capital ; and these, in an advanced stage of society, are generally owned by more or less distinct parties : whence it becomes convenient, and is usual, to divide the general body of those who co-operate in production and share its results into three principal classes ; namely, labourers, landowners, and capitalists. Between these parties, their joint produce naturally divides itself in the manner and according to the laws we have already in part noticed, under the name of the *wages of labour*, the *rent of land*, and the *profit of capital* ; and the share of each class constitutes its income or revenue.

This general classification is useful, as facilitating the analysis of the phenomena of society. It is obvious, however, that the three classes are by no means nicely distinguishable. On the contrary, there are many individuals who partake, more or less, of two, and some of all three, characters. The labourer, for instance, in this and some other countries, is occasionally the owner of the land he cultivates, as well as of the tools, live stock, and other small capital with which his labour is aided. In this case, his wages, profit, and rent will be mixed together so as to be indistinguishable. Few

labourers, in any country, are without some little capital in the tools of their craft. Again, the owners of considerable capital are, for the most part, labourers. Merchants, manufacturers, wholesale and retail traders, ship-owners, and land-farmers, personally superintend the employment of their capital; and the remuneration of their labour, as we have before seen, is vulgarly included in the gross profit of their capital, under the term living profits. A man of superior abilities or experience will often employ his capital in such a way as to bring in twice as large a return as that cleared by his duller neighbour; and it would be no less difficult than unnecessary to determine whether this is to be reckoned increased profit or wages.

The class of landowners is, in general, rather more broadly distinguished from the others, in this country at least; though not a few, as has just been said, cultivate their land by their own skill and industry, as well as with their own capital. Even the great body of wealthy landowners of this country, though not personally engaged in the business of cultivation, are in the habit of expending much capital on their estates, in erecting and keeping up fences, drains, roads, farm-buildings, &c.; the cost of which is usually defrayed by the landlord. Capital, however, so expended, as has been already explained, becomes no longer distinguishable from land, and its return merges in rent.

The proprietors of canal, dock, and joint-stock company shares, as well as all of what are called sleeping partners, from their not being personally

engaged in business, are pure capitalists; their income being solely derived from the net profit or interest of their capital.

Mortgagees, annuitants, pensioners, fundholders, and other owners of fixed money incomes, form a class apart from any of the three which we have been considering. They are simply creditors, and can scarcely be called capitalists in any accurate classification of the owners of wealth. Their property is not capital until it be *realized*: it is merely a *debt* secured by law upon the land, capital, or labour in the ownership of other parties.

In whatever proportions the several classes of labourers, capitalists, and landowners contribute their quota to the production of wealth, in that proportion have they clearly an equitable title to share in the wealth produced. But by whom and by what rule is it to be determined in what proportion any of the parties concerned have contributed towards the production of any portion of wealth? No after-analysis, however laboured, could pretend to discover, with any accuracy, the degree in which the various contributions of these different parties may have co-operated in its production. No tribunal that could be established would decide the point so as to satisfy them all of the correctness of its verdict. There exists no test—no common measure of the relative value of labour, land, and capital, independent of the estimation of their owners. This *can* be ascertained only *at the time* the contributions are made or arranged, and by *no other judges* than the interested parties themselves, and by *no other means* than their voluntary settlement of terms with one an-

other ; in short, only by previous bargain or contract *inter se*.

In one word, the principle of *free exchange* can alone bring about a fair adjustment of their relative claims on their joint produce. Take, for illustration, the simplest case :—Suppose A. a labourer, to have raised a quarter of wheat, by cultivating the land of B. C. having advanced him on loan the necessary implements, and D. the food on which he subsisted while at work. What possible guide can there be to the determination of the equitable share of A. B. C. and D. respectively in the value of the wheat, except the terms which they shall freely have agreed upon with each other at the commencement of the undertaking ? And if this be true in the simplest cases, it is equally true of the more complicated ; which it would be still more impracticable for any foreign party to adjudicate.

Custom will, indeed, establish a sort of standard by which these questions may be determined, in the absence of previous agreement : as, if a master hire a labourer without specifying the wages he intends giving, those ordinarily given for labour of that class by the custom of the country will be understood by both parties ; and custom will, in the same manner, determine the fair rent of land of a certain quality, and the fair interest of money. But the custom itself consists only of the average of the free and voluntary agreements of parties similarly circumstanced through the neighbourhood. Any attempt to tie down such agreements *generally*, as by a law, establishing either a *minimum* or a *maximum* of wages,

interest, or rent, destroys the only criterion of their just amount, and substitutes a blind and arbitrary power, without any possible clue to guide it to a correct decision.

While the principle of free exchange of property and services can alone be depended on for securing an equitable distribution of wealth among the several classes who contribute to its production, such free exchange is equally indispensable to the encouragement of all in the work of production, and consequently to the increase of the aggregate produce to be distributed.

If, for example, the *owner of land* were in any way restricted from freely disposing of his land to his greatest advantage,—as by letting it out to farm to the highest bidder, or in portions of such size as he finds most profitable,—he would have the less inducement to employ it, or allow it to be employed, in production. He might, by such restrictions, be induced to prefer keeping it in a state of waste, as a park, chase, or warren, comparatively unproductive and unserviceable to society. If he continued to cultivate it, he would be less likely to make any sacrifice for its improvement, by expending a portion of his rents in drainage, buildings, planting, or other endeavours to increase the productiveness of his estate. The same consequences would follow if, on the other hand, he were restrained by a tax or penalty from laying out any part of his domain in park or pleasure ground according to his taste. He would be less likely to reside upon his estate, and its general productiveness would probably, in the long run, be diminished rather than increased by such restriction.

Again, in whatever degree the *capitalist* may be interfered with in the free disposal of his property to his greatest advantage, (as is practically done to a great extent throughout most European states, by vexatious and embarrassing regulations, municipal and general, respecting the production, or removal from place to place, of particular commodities, and as has been proposed in this country by those who would have the law dictate to farmers what number of labourers they should employ, and how they should cultivate their farms)—in that degree will he be less desirous of accumulating capital, less eager to discover and avail himself of openings for its profitable employment, and less capable of making a profit upon it; he will be less productive and less economical, and consequently a less useful member of society, as well as a less happy one, through the annoyance which such restrictions occasion.

And the *labourer*, in his turn, unless left free to make the best bargain he can with his employer, and to carry his labour to the best market, wherever it may be; if interfered with by regulations confining him to particular occupations or particular places in which to exercise his industry, will never fully put forth his energies; but, in proportion to the restraint he suffers, assumes more or less of the sulky, idle, careless, and revengeful character of the *slave*—feels himself injured and ill-treated;—at all events, wanting one of the essential conditions of industry—freedom of choice in its direction—is less productive, as well as less happy. Attempts to regulate wages, whether by fixing maxima or minima, or to regulate employ-

ments, by dividing society into *castes*, each confined [to an exclusive occupation, as well as the ancient municipal regulations with regard to apprenticeships, servitude, &c., appear to have always produced the effect of damping the exertions of the labourers and diminishing their productiveness. The labour-rate, a new hobby of the present day with some of our well-meaning but not very profound legislators, is exposed, on the same ground, to merited reprobation.

Interference of any kind, in short, in the spontaneous direction of industry, and the free employment by their owners of the great agents in production, labour, land, and capital, has the certain effect of benumbing their powers and lessening the sum of production, and consequently the shares, of the producing parties; as well as of needlessly, and therefore unjustly, curtailing their freedom of action.

The only interference allowable is that which can be shown to be indispensable for the great object of securing the persons and property of every class. The law need, and ought to do no more. This comprehends the sum and substance of all the duties of a government with respect to wealth. Subject, therefore, to this condition, and to this only, perfect liberty in the voluntary exchange of the property and services of individuals is the only means of giving full play to the developement of their productiveness, and of increasing, to the utmost extent, the amount of their several shares. Such liberty is, on this ground,—the sure ground of expediency for the further—

ance of the general happiness—the absolute right of every member of society.

The limitation introduced includes, of course, all such appropriations of private property, and such directions of private action by the government, as are necessary for securing the persons and property of all. It is for the representatives of the people to determine the just claims of the state upon the purses or services of its citizens. But the exaction of such claims from each is the condition on which alone the rights of citizenship can be conceded to each. In a future chapter we shall touch upon the principles by which the great state-engine of 'taxation' ought to be regulated, and its proceeds applied.

But before we proceed to this, it will be useful to take a general review of the existing modes by which wealth is produced and distributed.

CHAPTER X.

PRODUCTIVE INTERESTS.

Agriculture—Manufactures—Commerce.—Progress, Subdivisions, and utility of each.—Their community of interest, and equal importance.—Preference awarded to Agriculture owing to the unnatural existing relations of population and subsistence.

THE various branches of industry into which the business of production divides itself in a civilized and highly advanced community, are nearly infinite in number. They are ordinarily classed, however, for more easy consideration, into three great departments, or, as they are called, ‘*interests*’—viz. the agricultural, the manufacturing, and the commercial or trading interest.

1. The *Agricultural* interest includes all whose land, capital, or labour is employed in the growth of food and the raw materials of manufacture. It comprehends, in this country, the more or less distinct classes of landowners, farmers, and labourers. Among the two latter there are various subdivisions. The corn-grower, the dairy-farmer, the cattle-breeder, and the cultivator of hops, madder, flax, teazles, &c. are, in general, different persons: as the carter, ploughman, herdsman, shepherd, drover, hedger and ditcher, woodsman, &c.

are distinct occupations among agricultural labourers. Those who follow the business of meal men, corn and cattle-dealers, and some others, are so closely connected with this interest as to rank rather in it than in either of the other divisions.

The history of agriculture is a subject of great interest, for which, however, we must refer our readers to the works especially devoted to this subject. Of all arts it is perhaps that in which the least improvement has been made in the course of the historical ages, notwithstanding its pre-eminent utility. Still its progress has been considerable, especially in this country, where, since the adoption of turnip-husbandry, the substitution of green crops for fallows, and the great extension of sheep-farming, the produce of our superior soils has been more than doubled, and large crops raised off millions of acres of poor land which previously would bear nothing to repay their cultivation.

A wide field is here still open for improvements to which no probable limit can be assigned. The science of agricultural chemistry is yet in its infancy. Its further progress will, no doubt, enable us greatly to multiply the produce of a limited tract, and, perhaps, to bring the most barren surfaces into profitable cultivation. Even now, a deficiency of manure is the only check to the productiveness of any soils, and as yet one of the most copious sources of supply of the most valuable of all manures,—the sewerage of great towns—is wholly neglected. By taking the necessary steps for securing and applying this, a great start

might probably be given to the agriculture of densely peopled countries.*

2. It is the business of *Manufacturers* to work up for use the raw materials raised at home by the preceding class, or imported from abroad ; giving them the shape of clothing, houses, household furniture, machinery, tools, and a variety of conveniences and ornaments. They comprehend numerous branches ; such as the iron, the woollen, the cotton, the silk, the leather, the stocking, the glove, the hat, the carpet, the lace, and the soap trades, the house and ship-builders, cabinet-makers, gold and silversmiths, watch-makers, brass ornament makers, cutlers, printers and publishers, engineers, &c. ; and each of these separate trades is subdivided into numberless distinct avocations. There are many to whom the term manufacturers is not ordinarily applied, who would yet be reckoned as such in any general classification of the entire body of producers : such are tailors, shoemakers, carpenters, joiners, smiths, plasterers, bakers, maltsters, curriers, &c., with the entire class of artisans employed in these several trades.*

The economical history of manufactures is a

* See Mr. J. Martin's Plan for purifying the air and water of the metropolis. 1833.

† The term manufacture is usually applied only to establishments on a large scale ; and those who produce the same article on a small scale are called makers rather than manufacturers : but in a scientific treatise, and when employed to designate a class of operations in contradistinction to agriculture, the term must be extended, so as to embrace all those occupations by which the raw productions of the earth are worked up into objects of use or ornament, whether by the labour of one individual or of many.

subject of very considerable interest to the student of political economy, but would, if fully gone into, occupy a much larger space than can be afforded to it in this little volume. It well deserves, indeed, to form the exclusive matter of a separate work; and I am not without hopes that it may, before long, be taken up and illustrated by the same author who, in the volume he has published on *Rent*, has so ably examined and described the circumstances which, in different times and countries, have determined the mode of occupation and cultivation of the soil.*

The division of labour which takes place in a very rude state of society must, even in the infancy of every nation, have effected a certain separation between the classes who occupy themselves in tilling the soil and gathering its crops, and those who are engaged in working up these crops or the other raw products of the earth, and fitting them for general use, in the form of tools, raiment, ornaments, houses, furniture, &c.

A further subdivision of this class of industrious occupations among different trades or crafts, each giving employment to distinct ranks of artificers, seems likewise to have taken place at a very early period in the history of art. The goldsmiths, the jewellers, the workers in iron, in brass, in wood, in stone, in pottery, in woollen, and in linen; the shoemakers, the tailors, the carpenters, the plasterers, and the masons, are spoken of in the Jewish Scriptures and other early records, and appear to have followed

* Jones on the Distribution of Wealth and the Sources of Taxation.

exclusively their several avocations from the first dawn of civilization. A common professional education, a common interest in the advancement of their art, and a desire, by combination and monopoly, to exclude competition and obtain a higher return for their labour, seem, in most countries, to have occasioned the union of the artisans following any one of these several trades into a sort of corporate fraternity, sometimes sanctioned by charters, like the guilds of the European states subsequent to the middle ages. Some of these fraternities unquestionably attained a very high excellence in their particular departments of industry. The association of freemasons, to whose migratory labours it is generally supposed that we are indebted for nearly all the rich and beautiful ecclesiastical and domestic edifices which were reared through Europe during the eleventh and five succeeding centuries, evinced a purity of taste and fertility of conception in architectural design, as well as a power of execution, which the builders of modern times have vainly attempted to rival. Nothing can exceed the workmanship of the armourers, or of the goldsmiths and jewellers, of the fifteenth century; and carving in both wood and stone was carried, about the same time, nearly to equal perfection. The gorgeous silks and velvets of the same period probably could not be imitated by any artisans in the present day; and tapestries and other productions of the loom were then wrought with an excellence which has never been surpassed. The art of staining glass may be mentioned as another in which modern artists

are decidedly inferior to those which preceded them some centuries back.

On the whole, however, manufacturing industry has of late years, and especially in this country, accomplished an extraordinary advance in its productive capacities, and its importance as compared with agriculture. In former ages every village probably had, as now, its inferior handicraftsmen—its smith, mason, carpenter, tailor, and shoemaker; while the more important branches of industry were carried on in towns, in which the manufacturers of valuable goods clustered together, for the purpose of mutual protection against the tyranny of the great and little robbers of those unsettled times, or along the course of such streams as afforded the necessary aid of water-power. But though the articles of clothing and ornament which ministered to the luxuries of the wealthy, were fabricated by artisans of this description, the more homely wants of the humbler classes were still chiefly supplied by the exercise of their own rude industry. The coarse clothing of the greater proportion of the people, woollens as well as linens, were, till within a very recent period, both spun and wove, or knitted, at home, by the wives and children of the agricultural labourers. Many objects of ornament and convenience were made in the same simple manner by the peasant and his family. It is chiefly within the last fifty years, and since the introduction, and especially since the improvements, of the steam-engine by Watt, which led to the substitution of this wonderful power for that of water, wind, and

human or brute force, that manufacturing industry has developed itself to an extent by which a great and striking change is being brought about in the habits, the manners, the relations, and the employments of our population. The number of persons at present engaged in the various branches of manufacture in this country nearly equals that of the persons employed in agriculture.*

* ANALYSIS OF OCCUPATIONS IN GREAT BRITAIN.

(From Marshall's Statistics of the British Empire.)

DESCRIPTORS.	Number of Families.		Persons.
	1821.	1831.	1831.
1. Agricultural occupiers . .	250,000	250,000	1,500,000
2. Agricultural labourers . .	728,956	800,000	4,800,000
3. Mining labourers	110,000	120,000	600,000
4. Millers, bakers, butchers . .	160,000	180,000	900,000
5. Artificers, builders, &c. . .	200,000	230,000	650,000
6. Manufacturers	340,000	400,000	2,400,000
7. Tailors, shoemakers, hatters	150,000	180,000	1,080,000
8. Shopkeepers	310,239	359,009	2,100,000
9. Seamen and soldiers . . .	319,300	277,017	831,000
10. Clerical, legal, and medical classes	80,000	90,000	450,000
11. Disabled paupers	100,000	110,000	110,000
12. Proprietors and annuitants .	192,888	316,487	1,116,398
Totals	2,941,383	3,303,504	16,537,398

From this table it appears that the agricultural and mining classes compose about 7-17ths of the whole population; the manufacturing class 5-17ths, the commercial class 2-17ths; the professional class, including the army and navy, and the non-producing class of proprietors and paupers, making up, in nearly equal moieties, the remaining 3-17ths. The decennial censuses that have been taken since the commencement of the present century shew the great change that has taken place in the employment of the people. In 1801, nearly one half the entire population of England was engaged in agriculture. In 1831 the proportion had fallen to about one-third.

They are, for the most part, concentrated in large and populous towns, many of which have grown up with astonishing rapidity upon those points where the abundance of coal and iron mines, water-carriage, or other facilities are found for the fabrication of any peculiar commodity. The existence of this portion of society is closely connected with the very variable condition of manufactures; and when war, impolitic restrictions on commerce, changes of taste and fashion, improvements in machinery, or any of the other casualties to which such trades are exposed, occasion a stagnation in the demand for their labour, large bodies of men are liable to be thrown out of work, and placed, for a time, in a state of suffering and idleness, which, in the absence of wise precautionary arrangements, cannot but threaten great danger to the public peace. On the other hand, the agricultural part of the population has certainly suffered much from the failure of those occupations which were formerly subsidiary to their principal one, and afforded them the means of profitably employing every idle hour, and nearly every member of their families, male or female, young or old. The loss of the minor domestic manufactures, formerly carried on by the agricultural labourer, has been a severe injury to his class, and the public tranquillity has perhaps suffered likewise through the consequent deterioration of his circumstances. These are undoubtedly evils, to which the vast, and we believe, on the whole, beneficial progress made by our manufacturing system, has unquestionably exposed us. It remains for the government to mitigate these evils, so far as

is practicable ; and especially by all such arrangements as are fitted to encourage and facilitate the free migration of labour, the free exchange of its produce, and consequently its profitable employment.*

3. The *commercial* class consists of persons whose business it is to facilitate the operations both of the agriculturists and manufacturers, by supplying them with what articles they require, and taking of them what they have to dispose of. They are the agents in all the manifold exchanges that are going on between the different classes of producers and consumers ; conveying goods of all kinds from place to place, so as to equalize the supply with the demand ; purchasing whatever is to be sold, and selling whatever is required to be bought. Commerce divides itself, firstly, into the *foreign*, and internal or *home* trade ; and the latter, into the *wholesale* and *retail* trades. These again branch out into almost numberless subdivisions, characterized by the nature of the article dealt in, or the particular line of business carried on.

There are several other classes which do not

* The picture drawn by Dr. Kay, in his valuable Tract, of the moral and physical condition of the working classes employed in the cotton manufacture in Manchester, together with the facts brought to light by the late Committees of the House of Commons on the employment of children in factories, add some frightful features to the character of our modern manufacturing system,— so frightful as to lead us to regret that it was ever introduced, if we were not certain that these horrors are by no means the necessary result of the system, but chiefly of the terrible struggle it has for years maintained under surprising difficulties, brought on by unwise legislation, and, above all, by a restricted commerce and an artificially appreciated currency. On these evils, and their proper remedies, more hereafter.

seem to be easily referrible to any of the three principal heads ; as the persons engaged in mining and quarrying, in fisheries, &c.

All these multiform subdivisions of employment are wholly spontaneous, the offspring of no pre-concerted arrangements of the statesman or the legislator, but springing from that ever-active and inquisitive spirit of enterprise and ardour for gain by which individuals are urged to seize every opening for the employment of their ability or capital that promises remuneration. The result is incalculably beneficial to society, by reducing the cost and improving the quality of all that it consumes. If any saving can possibly be made in the cost of producing any article, by a subdivision of the necessary operations, it is immediately effected by the agency of this searching spirit ; and the competition of producers is sure very shortly to secure all the benefit of the saving to the public at large, in a proportionately reduced price of the article.

The vast utility, for example, of the wholesale and retail dealers, who adjust the supply of commodities of all kinds with the utmost precision to the demand, is obvious on the slightest consideration. Acting under the influence of self-interest, and with a view solely to his own profit, each, knowing the probable wants of his peculiar market, is strongly interested in selling as much as he possibly can, and yet equally interested in causing nothing to be wasted through its remaining unsold. Each striving to carry away the custom of his rivals, by tempting the public with newer, better, more varied, or more alluring articles at

the lowest price, they effect collectively the distribution of the whole wealth of society in the most economical and most convenient manner possible. And yet, because they make a profit on what they sell, that is, get paid for their labour and the time during which their capital lies locked up in goods, and the risk it runs of damage, and for their shop and warehouse rents; because they charge a profit on their sales sufficient to cover these necessary expenses (and that it is barely sufficient for this end their mutual competition secures), they are described by Mr. Owen, and his benevolent but equally unreasoning followers, as sucking the marrow of the poor labourers, and interfering hurtfully between the producer and the consumer, to raise the cost of all things to the latter. Mr. Owen has of late put his theory to the test of practice, by endeavouring to dispense with these intermediate parties, and bring producers and consumers into contact with each other. By this time, therefore, it is perhaps tolerably clear to such of his disciples as retain the power of discrimination, which system is the more economical of the two; that which, if pursued to its necessary consequences, would force every labourer to produce for himself almost every thing he needs, and send us back to the caves and woods of our acorn-eating ancestors, or that which *has* carried us forward from those wilds and caves to the high pitch of civilization and refinement this industrious community has, by the blessing of Heaven, attained. With respect to Mr. Owen's clumsy contrivance of labour-notes and a labour exchange, by which the barbarizing tendency of his principle is meant to

be concealed, it is evidently but a bank connected with a large wholesale warehouse ; in which the arbitrary valuation of a salaried clerk regulates the terms of each sale and purchase, instead of the unerring principles of competition among the sellers and self-interest in the buyers. The scheme of labour-notes, moreover, is founded on the erroneous notion that labour is the just and true measure of value. But can any plan be more likely to discourage ingenuity, industry, and the acquisition of skill, than one which determines the reward of each man's labour, not by the intensity of his application, or the amount of its produce, but by its *duration*—thus giving to a slow, careless, and indolent labourer the same pay as to an active, ingenious, and energetic one ?

The whole system of society as at present constituted is ONE GREAT LABOUR EXCHANGE ; in which the services of individuals are bartered by voluntary and mutual agreement. The progress of knowledge has suggested a variety of subdivisions, not only of the labour by which commodities are produced, but likewise of the labour required for exchanging them. An attempt to get rid of these intermediate parties to the exchanges of labour would put a stop to by far the greater proportion of exchanges, which could not by possibility be conducted between the principals, and render their labour itself valueless. Could the coal-miner of Newcastle *directly* exchange the produce of his labour with the corn-grower of Lincolnshire, the cheese-maker of Gloucestershire, or the cloth-weaver of Yorkshire ? And if there must be intermediate parties

to carry on these and similar exchanges, experience and reason prove that they will be conducted more cheaply and effectually by the competition of private speculators, than by any organized contrivance for this purpose that the ingenuity of man could frame. The idea of these visionaries is that the *profit* made by the intermediate parties would be saved to the principals. But in order to a profit, there must be a capital. If the producers of commodities are possessed of capital, they will get as high a profit on its employment in the business of production as the other parties get in the business of exchange. If they have no capital, they can certainly divide no profit, under any possible contrivance.

The vast utility of the class of retail dealers, who are the *immediate* distributors of the principal articles of consumption, must be apparent to every one. Not less useful and important to society, in its peculiar functions, is the class of wholesale dealers or *merchants*; who are the primary agents in the exchanges that take place between producers who live at a distance from each other, in different districts, countries, or perhaps climates, and the general carriers of goods from place to place throughout the world.

The advantages of *commerce*, that is, of an interchange, between the inhabitants of different places, of the goods with which their peculiar circumstances of skill, position, soil, minerals, or climate enable two communities to supply one another more easily than each could supply itself, need hardly, in this age and country, be dwelt upon. It is the division of labour on a large

scale, and applied to districts instead of individuals. Nature has suggested this territorial division of labour even more broadly and obviously than the personal. One district, for example, possesses rich alluvial plains, fitted for growing corn; the soil of another is more favourable for grazing cattle; that of a third for pasturing sheep; a fourth offers a bleak and bare surface, but is fertile in mineral wealth—in coal, perhaps, and iron; a fifth is covered with timber, and a sixth is washed by a sea abounding in fish. It must be impossible for the inhabitants of these several districts to have any continued intercourse without perceiving the great mutual advantages they have it in their power to secure, by applying themselves exclusively to the production of those commodities for which nature had adapted their district, and exchanging them with each other. Whether the several places between which such commerce is carried on happen to be connected under the same government or not, can evidently make no difference in the amount of mutual benefit each derives from the intercourse, except in as far as this circumstance may cause *artificial* impediments to be placed in the way of their intercourse, which would not have existed had they been united under the same government. The exchange, in reality, takes place between individuals, although the subjects of different states, and would not be undertaken by each party if it were not beneficial to both.

A strange notion seems to have prevailed till towards the middle of last century, even among those who were practically conversant with commerce, namely, that the commercial gains of one

nation were always made at the expense of that with which she traded ! Since foreign commerce is as freely and voluntarily undertaken by individuals, as that between inhabitants of the same state, and for no conceivable purpose on either side but individual gain, it is wonderful that any one should imagine that the intercourse which must be profitable to the individuals who carry it on, can be injurious to the nation of which either party forms an unit. The profit, however, of the merchants on either side constitutes evidently but a very small proportion of the entire benefit derived by the exchanging countries. If France sends to England wine to the value of a million, in exchange for an equivalent in hardware, the merchants on either side may perhaps clear a profit of 50,000*l.* by the transaction. But, in addition to this, twice as much is probably expended in the employment of the shipping and internal carrying trade of each country ; one or two hundred thousand pounds are likewise put into the exchequer of each ; and last, but by no means least, the inhabitants of either country, who consume wine or steel goods, are supplied with these commodities at perhaps one half the cost at which they could have procured them of equal quality at home, if indeed they could have procured them at all. Many things, now considered of first necessity, are not to be obtained without foreign commerce. Tea, the favourite daily meal of perhaps every family in the land, is grown in China alone, and no attempts to raise it in other countries have been successful. Cotton is the produce of a tropical climate ; and if left to our own resources, we

could not obtain an ounce of that material which forms so cheap, healthy, and comfortable an article of clothing for the great body of our population, male and female; as well as one of our principal staples of export. Sugar, another absolute necessary of life to the present generation, the example of France proves that we might possibly grow at home, but of a very inferior quality, and at about treble the cost to us of what we procure from our colonies in exchange for our hardware and woollens. Cochineal, indigo, and the various other substances used in dyeing are not the produce of Britain. Nearly every drug or balsam employed in medicine is of foreign growth, and could not be obtained by any efforts from this country alone. The greater part of the timber used in our houses and their furniture, is foreign, and could not be raised here in sufficient quantity to supply our purposes. The materials of our soap and candles, which are as necessary to the cottager as to the noble, are imported; and if prevented from importing them, none but the wealthy could enjoy the means of lighting up their houses during the long nights of our northern winters. Oranges, so delicious to the sick, and palatable to all, are purchased from abroad by our hardware and cloths, and could not be procured except by this mutual exchange. Tobacco, the poor man's luxury, is only to be obtained by foreign commerce. 'Our roast beef, the Englishman's fare,—would to God that every one of our countrymen could command its daily enjoyment!—is indeed a native production; but its companion, plum-pudding, exclusively an English

ish, derives its name and its excellence from the produce of foreign climates. The raisins are brought from Smyrna, the currants from the Ionian Islands.*

These familiar illustrations have been selected to bring the fact clearly before the reader, that all classes and conditions of men derive enjoyment or benefit from the mutual exchange of the products of different countries and climates. If foreign trade introduced only such things as are enjoyed by the opulent and luxurious ; if it only enabled our modern Sybarites to clothe themselves in silks instead of linens, and drink French wines instead of British ale, it would not be deserving of the high place it ought to hold in our esteem, as the means of adding to the comfort and enjoyment of mankind. But the few commodities we have mentioned above constitute only a small part of those imported from countries not under our government, which are used by the great mass of the people, and contribute to their subsistence, or give additional value to their industry and skill. Without foreign commerce we should be destitute of a very large proportion of the necessities and comforts, as well as luxuries, which we now possess ; while the price of the few that might remain to us, would, in most instances, be very greatly increased. Nor are the benefits we derive from an extended intercourse with the other branches of the human family monopolized by ourselves. The persons who receive our hardware, cutlery, woollens, and cottons, in exchange for their sugar,

* 'Political Economy,' by T. Hodgskin.

raw cotton, drugs, timber, &c. could not obtain these necessary and valuable articles so cheaply by any other means. 'It is as pleasant to the inhabitants of Portugal, of Turkey, and of Spain, to procure, by the cultivation of their own vines, fig-trees, and olives, the instruments and clothing manufactured in this country, of a superior quality, by help of our fertile mineral wealth and mechanical ingenuity, as it is for us to obtain, by making these articles, the refreshing produce of a brighter sun than ever shines over Britain.*'

'But the influence of foreign commerce,' it has been well observed, 'in multiplying and cheapening conveniences and enjoyments, vast as it most

* Hodgskin's Political Economy, p. 160. Dr. Chalmers, in his recent work on Political Economy, among many other curious and amusing paradoxes, has attempted to prove that it is 'a delusion' to suppose that foreign trade adds anything to the wealth of a nation, or is productive of any advantage 'beyond a slight increase of enjoyment, the substitution of one luxury for another.' The wine-trade he has discovered only produces wine, the sugar-trade sugar, the tea-trade tea, and so on. It is evident the same argument would apply to our internal trade and commerce, and to the division of labour itself. The shoe-maker only produces shoes, the clothier cloth, the cutler cutlery, &c. But just as 'trifles make the sum of human things,' so in the aggregate, all the several branches of trade, foreign and internal, produce all that there is in the country of wealth, comfort, taste, splendour, civilization,—all that distinguishes us from a horde of barbarians, clothed in skins, and tolerably provided with coarse food. Moreover, the extension of commerce re-acts upon agriculture, and tends greatly to increase the production of food likewise. Dr. Chalmers himself admits that this was the case in former ages, and his reasons for considering the effect to have ceased are very inconclusive.

certainly is, is perhaps inferior to its indirect influence, that is, to its influence on industry, by adding immeasurably to the mass of desirable articles, inspiring new tastes, and stimulating enterprise and invention, by bringing each people into competition and friendly intercourse with foreigners, and making them acquainted with their arts and institutions. Adam Smith and Robertson have both ably traced the economic change which took place throughout Europe at the termination of the middle ages, in virtue of the new tastes and habits inspired in the owners and cultivators of the soil, by the presentation to their notice of those articles of splendour and luxury which manufacturers had produced and commerce brought to their doors. The same effect continues in the present day. It is a constant principle of human nature that our wants increase with the means of gratifying them. And well is it that we are so constituted. Were man the sober, chastened, and easily contented animal which moralists have sometimes, with false views of human welfare, attempted to make him,—did a mere shelter for the weather, and a sufficiency of wholesome food and coarse clothing, satisfy his wishes,

‘Content to dwell in decencies for ever,’

his species would probably have remained for ever in a condition little superior to that of the cattle they have domesticated. Art, science, literature, all the pleasures of refinement, taste, and intellectual occupation, would have been unknown: more than this,—the ingenuity by which the gifts of nature and the enjoyments of mere animal exist-

ence are multiplied and heightened, would never have been called into action; and the prospect which, in spite of local and temporary checks, seems to us continually brightening, of a progressive and indefinite amelioration in the circumstances of mankind, would have been closed at once. But it is not so. Every augmentation in the number and variety of the means of human gratification has the certain effect of increasing the number of human wants and desires, and of stimulating industry and ingenuity to satisfy them by increased labour or skill in the production of those things, by exchange for which the desired objects may be obtained. The improvement of our manufactures and the increase of our foreign and internal trade have not only a stimulating influence on our native agriculture, and, therefore, add to our supplies of home-grown food,—but by offering novel gratifications to the inhabitants of other countries, more fertile or less highly cultivated than our own, they excite them to greater industry in the creation of those agricultural products of which we stand in need.

Few mistakes, therefore, can be more complete than that into which those writers fall who under-rate the advantages of foreign commerce, affecting to treat it merely as the source of a supply of a somewhat better description of consumable articles than we could procure at home; and fail to perceive that, without its aid, we should have remained deprived of nearly all that excites our industry and gratifies our desires,—of all the comforts, the luxuries, the refinements, and of many things now considered the necessities, of civilized existence.

These several productive classes, or 'Interests,' which it is sometimes the fashion to oppose and contrast with each other, are far from being separated by any broad line of demarcation. They are indeed, on the contrary, closely entwined and enlaced together, forming the warp and woof in the web of society. Their interests, consequently, are identical; and any attempt to advance that of one, at the expense of the others, must be equally prejudicial to all. In fact, the business of each branch is to supply the wants of the others, so that any falling off in the means of one *must* cause a proportionate defalcation in the occupation and resources of the others. They are inseparably connected, and depend upon or grow out of each other. The agriculturists raise raw produce for the manufacturers and merchants, while the latter fabricate and import articles of necessity, convenience, and ornament for the use of the former. Whatever, consequently, contributes to promote or depress the industry and enterprise of one class, must have a beneficial or injurious influence upon the others. 'Land and trade,' to borrow the just and forcible expressions of Sir Josiah Child, 'are TWINS, and have always, and ever will, *wax* and *wane* together. It cannot be ill with trade but land will fall, nor ill with land but trade will feel it.' Hence the injurious consequences that result from every attempt to exalt and advance one species of industry by giving it factitious advantages at the expense of the rest.

It has been a question much disputed whether any one of these branches of industry should hold a higher rank in the general estimation than another.

Many writers have contended for the pre-eminence of agriculture over manufactures and commerce. M. Quesnay and the French economists were followed in this by Dr. Smith. But the reason assigned by them for this preference, namely, that in agriculture labour is most productive, as being exclusively assisted by the powers of Nature, is an evident fallacy. The manufacturer and the merchant avail themselves of the useful qualities of the mineral, vegetable, and animal kingdoms to the same extent as the cultivator; and Nature affords her aid as bountifully and as gratuitously to the one as to the other.

Though these authors have failed in giving a satisfactory reason for the rank they would assign to agriculture above the other useful arts, it is not, however, the less true that a marked preference has been awarded in all times and countries to this branch of industry; and it is difficult to believe that so prevalent a feeling can have its origin in a miserable fallacy. A little reflection will enable us easily to account for it. The true source of the peculiar veneration in which agriculture has been always held, lies in the consciousness that it is to *this* art man is indebted for the staff of life, Food; while the rest serve only to minister to his convenience and luxury, and multiply his means of enjoyment. However important to his comfort may be the greater number of objects which commerce and manufactures place at his disposal,—however justly he may prize these departments of industry for their varied and valuable gifts,—every one must feel that he is yet more deeply indebted to that art which

furnishes him with the main support of his existence,—without which he could not survive the day. He feels that he *could* spare the products of the former arts, but not of the latter. *Those* supply him with luxuries and comforts, *this* with necessities. Even if we must consider this a prejudice, it is at least a natural, and may well be a general one. But it is not a prejudice; in the present circumstances of society it has a sound and reasonable foundation. *So long as there are thousands of our fellow-creatures starving for want of necessities*, the art which occupies itself in supplying them will, in the estimation of every friend to humanity, bear the palm over those which are engaged in providing superfluities! While there is FAMINE on the earth, every man of human feelings will desire to encourage the manufacture of corn in preference to that of cottons, silks, or muslins,—to stimulate the production of bread, even though at the expense of toys and trinkets.

But why should there be any lack of the necessities of life? How is it that we boast of the multiplied inventions and improvements of civilization as having armed man with an immense increase of productive power,—if it be true that they have not yet enabled him to procure a sufficiency of necessities for the bare support of his existence? In a condition of barbarism, with nothing to depend on but his natural resources, his existence is necessarily precarious;—hunger and misery his occasional, perhaps frequent, visitors. But every step that he makes in knowledge and art, in the improvement of his faculties and the enlargement of his resources, *ought* to remove

him farther and farther from the reach of want. And it would be strange, indeed, if, after ages spent in successive victories over matter, and in accumulating the means of yet further conquests—after he has not only compelled whole races of the inferior animals to his service, but taught the very elements, each and all, to do his bidding, with superior docility and far greater power,—when invention after invention, one more perfect than the other, have multiplied his powers of production in every branch of industry to a considerable, and in some to an almost incalculable extent;—it would be indeed strange if, in spite of all this, man were still unable to escape the grasp of want, —still incapable of procuring a full sufficiency even of the coarsest necessities on which to maintain life.

If such should, indeed, be the condition of the population of any country which has made a considerable progress in the arts of production, the simplest reflection will force upon us the conviction that gross mismanagement must prevail either in the direction of its resources or the distribution of their produce.

We are thus brought to one of the most interesting questions of political economy,—the question indeed of highest importance to the welfare of mankind; and on which it has unfortunately happened that the most false and ruinously pernicious opinions have been professed by nearly every late writer on the subject,—the question on the relations naturally subsisting between population and food.

CHAPTER XI.

POPULATION AND SUBSISTENCE.

History of the supply of Food to an increasing People.—Early limitation of the numbers and resources of Man.—Hunting State.—Pastoral State.—Agricultural State.—Increased facilities for procuring Subsistence consequent on every Improvement.—Culture of inferior Soils indicative of increased, not of diminished Resources.—Sure Resource of Migration.—Colonization.—Vast extent of rich Soil yet uncultivated.—Unlimited capacity of the Globe for the production of Food.—Misery the result of Crime and Folly, not of any natural Law.—Food can easily be made to increase faster than Population—as also Capital of every kind.—Folly, mischief, and impiety of the Malthusian Doctrine.—True direction of prudence to the Increase of Food and Wealth, not the limitation of numbers and happiness.

WE repeat, this is infinitely the most interesting problem in the whole range of the science of Political Economy. That science we defined as having for its object the study of the circumstances which determine the abundance and general distribution among the members of a society of the necessities, comforts, and luxuries of life. But it is obvious that of such circumstances the most momentous by far must be those which determine its supply of the MEANS OF SUBSISTENCE. No abundance of conveniences or luxuries can com-

pensate a people for a deficiency of food! no interest is to be put for a moment in competition with that of a full supply of the means of subsistence for the entire population.

A deficiency in the means of subsistence is acknowledged to be in the present age the only obstacle of real importance that opposes itself to the continual and increasing prosperity of the inhabitants of the more civilized parts of the world. This, then, is the great question that stands foremost in claiming the attention of the philosopher, the legislator, the statesman, and the man of humanity. What are the natural laws which determine the supply of food? Is there any reason why its increase should present greater difficulties than that of other objects of desire? Are there any artificial obstacles imposed by conventional institutions to its abundant production? For if so, they should be removed. Are there any means of encouraging and accelerating its production? For if so, they should be adopted.

Now there is nothing intricate or mysterious in the method by which man supplies himself with food, or in the natural circumstances that determine its abundance or deficiency;—nothing that can excuse or account for the extraordinary fallacies which have been put forth on this subject, and the frightful (it is difficult to refrain from saying the inhuman and impious) conclusions which have been arrived at by some who have written volumes upon it. I am anxious to preserve this little work, as far as possible, from assuming a controversial character; and would willingly therefore refrain from characterizing, as they appear to me to de-

serve, the doctrines to which I allude,—and which are so well known by the name of their leading propagator, Mr. Malthus. But to treat lightly, and as a mere venial error, the promulgation of doctrines having so pernicious a tendency as these would amount to a kind of misprision of treason against humanity. None can doubt the benevolent intentions of the gentleman I have named, and of the greater number of his followers. But good intentions are not enough to rescue from deserved reprobation those who do their utmost to spread opinions tending materially to influence the happiness of millions of their fellow-creatures, without such a severe and searching examination of their truth, as must, in the instance before us, if undertaken in a spirit of candour, have instantly detected the palpable errors which lay on the very surface of the argument.

In order to form a correct conception of the law of relation between population and subsistence, the first step, of course, should be to examine the plain and obvious circumstances on which the supply of food to an increasing people has always depended.

The sacred writings inform us that all mankind sprang from a single pair. But without recurring to the evidence of divine inspiration, all historical records unite in placing before us the fact that the numbers of men have been for many ages past continually on the increase, and lead us to believe that his race was at some former period few in number, confined within very narrow geographical limits, and endowed with a very scanty knowledge of the useful arts. His present numbers and ter-

ritorial extension have been progressively reached, as his knowledge, skill, and powers of production accumulated.

Whether there ever was a time when the progenitors of the now civilized nations of the globe were ignorant of the arts of agriculture and the domestication of cattle, is a question which, though seriously mooted of late by a writer of eminence in logic and theology,* is little worthy of investigation. Many savage tribes still existing offer an example of the mode in which our ancestors must have subsisted, if, as is probable, they once did exist in this state of comparative helplessness.

* Dr. Whately, in his *Introductory Lectures on Political Economy* delivered at Oxford, in 1830, argues in favour of the supposition that man was created with an innate knowledge of certain of the arts of civilization; and that the savage tribes still met with who are ignorant of these arts are not specimens of man in his primitive condition, but in a state of deterioration. This is a strange idea to have been seriously entertained by an acute reasoner. Man is certainly not born at present with any such innate knowledge. He acquires all he possesses only by instruction or invention. It is easy to conceive how this same faculty of invention may have suggested by degrees every step of the progress from the extreme of barbarism to that of civilization. But it is utterly impossible to conceive the creation of a being endowed *ab initio* with a knowledge of the useful arts and sciences, of any or all of them. It may be said that all creation is an inconceivable mystery. True, and therefore we refer to it only what is not to be accounted for in any other way. Where secondary causes utterly fail, there we necessarily resort to the action of the great First Cause. But to attribute to the direct energy of the Deity, not merely the creation of man with all his wondrous natural faculties, but his instruction in the arts of milking cows, sowing corn, and making ploughs and pipkins, is surely consistent neither with sound philosophy nor rational theology.

Their sustenance must have been confined to the fruits and berries of the plain or forest, the flesh of wild animals and fish, and the water of the spring. But with the exception of the last, which alone will not support life, these spontaneous gifts of nature are very limited ; and as the numbers of a society increased, there must have been felt a very inconvenient scarcity of food, such as we know to be habitually experienced by the savage tribes of America or Southern Africa. In this condition the horrors of want must have been frequent, even among a society which ranged over an extent of territory such as now could be made to support many times the number it was then incapable of sustaining. It has, indeed, been calculated, on good authority, that one acre tilled according to good British husbandry will support as many individuals as a thousand acres of hunting ground in the wilds of savage America. The only resource by which such a people could escape the thinning of their numbers by famine would be a spreading in search of new hunting grounds. But with the feeble means they possessed for encountering the natural difficulties in the way of their migration, this resource must have often failed them. And even had they been able to extend themselves over the whole habitable surface of the globe, their numbers would soon have reached the limit which the earth was capable of supporting in this precarious manner.

When, however, a people had attained a knowledge of the art of domesticating animals, whose milk or flesh supplies a wholesome and pleasant diet, a great addition was made to their power of

providing themselves with food from a limited territory. A tract of land employed as pasturage for herds of cattle and flocks of sheep might be made to support, probably, not less than a hundred times the population which could subsist on its spontaneous supply of wild fruits and animals. This pastoral condition, accompanied, for very obvious reasons, with nomadic habits, still characterizes the population of some extensive regions of the earth.

But as the numbers of such a society increased, they might not impossibly find themselves pinched for want of a sufficient range of pasture land. We have an example of this recorded in the sacred history of the Jews. When Abraham and Lot sojourned together 'between Bethel and Hai,' having each large possessions of flocks and herds and tents, and a proportionately large patriarchal family, or 'tribe'—'the land,' it is said, 'was not able to bear them so that they might dwell together.*' Under these circumstances two resources, as before, are open to such a people,—viz. either to spread themselves over other distant lands yet unoccupied, (which was the proposal of Abraham to Lot, 'If thou wilt take to the left hand, I will go to the right; or if thou depart to the right hand, I will go to the left;') or by the exercise of their ingenuity to contrive means for making the district they inhabit afford them more copious supplies of food. To these, modern political economists have added a third, namely, the keeping their numbers sedulously within the limits of their

* Genesis, chap. xii.

existing means of subsistence by 'a prudential abstinence from marriage.' Fortunately our ancestors in the earlier ages of the world did not adopt this sage plan; or the probability is, that we, and the other civilized nations of the globe, would *never have existed* at all; and mankind would have been confined, in local occupation, to some one or two snug corners,—a rich island, or a fertile valley,—and in numbers, to the few thousands whom the pasture of this limited territory could supply with milk, cheese, and cattle!

Where nature or accident interposed difficulties in the way of the territorial extension of a growing population, as would happen in the case of an island or a valley surrounded by high mountains, or a people already closely hemmed in by other tribes equally tending to redundancy,—the latter of the two natural resources we have mentioned would probably be adopted. Under such circumstances the *cultivation* of the wild fruits of the earth, the improvement of the pasture lands by manuring and irrigation, and the invention and practice, above all, of agriculture, would obviously suggest themselves as means for attaining the desired object of enlarging the supply of food to meet the growing demand for it.

AGRICULTURE, like most subsequent inventions and improvements in the useful arts, was doubtless the offspring of the *necessity* which drives a people to exertions, both corporeal and intellectual, for their maintenance. By it, even in its most imperfect state, as practised by the least advanced of agricultural nations, land of average fertility can be made to support many times the number of

inhabitants that it will maintain under a system of promiscuous pasturage.

The agricultural system, however, is rarely at present, and seems seldom in any instance, to have been adopted to the exclusion of the pastoral, but only in aid of it; as the growing wants of increasing numbers might render it advisable to inclose, break up, and cultivate fresh tracts of arable land,—the remainder being reserved as pasturage for the flocks and herds which the varied tastes and wants of the society required to be maintained.

At first the richest and most prolific soils are chosen for aration; and the habitations of their cultivators are permanently reared in the immediate vicinity of these favoured spots. As the habits of a purely pastoral tribe are necessarily nomadic, so those of an agricultural people are, for equally obvious reasons, settled and stationary. The tents of the former are exchanged for houses of timber, stone, clay, brick, or other accessible material, when they betake themselves to the inclosure, cultivation, and improvement of particular patches of soil. As the population quartered on these spots increases, and requires larger supplies of food, a fresh surface is broken up. And when all the soils of the richest quality in the occupation of a people, or tribe, are already in tillage, soils of an inferior quality will be perhaps resorted to. But, in the meantime, division of labour is taking place, and improvements of various kinds are making as well in agriculture, as in the other arts of production; so that it will probably happen that corn or other food may be raised from these secondary soils with less trouble,

that is to say, at a less cost of labour and capital, than what, in the infancy of agriculture, were expended on the very first-rate qualities of soil to produce the same return. So far, therefore, from the recurrence to the cultivation of inferior soils being necessarily accompanied by, or attesting, any diminution in the comparative abundance of food, or any increasing difficulty in the means of procuring it, (a doctrine laid down by a large sect of political economists, as a fundamental proposition upon which to erect their science,) such a step is, on the contrary, quite compatible with a continual increase of the quantity, or improvement of the quality, of the food at the command of each individual,—and is to the full as likely to be symptomatic of an increased as of a diminished capacity for procuring food.

There have, in truth, been few grosser fallacies promulgated by modern political economists, than this doctrine of the ‘decreasing fertility of the soil.’ The fertility—or productiveness—of soils is, on the contrary, daily *increasing*, with every advance in the science of agriculture; and not only of agriculture but of every other useful art, since every step made in such arts liberates more labour to be employed, if needed, in the cultivation of the soil without any diminution of the other comforts at the command of a people. The very reverse, therefore, of the doctrine we allude to, is the truth. And how paradoxical its very enunciation! These writers would persuade us that it becomes every year more difficult to produce food!—that as the productive powers of man advance, those of nature decline!—that as man’s numbers increase, and his

ingenuity, and knowledge, and instruments of every kind improve, his means of extracting a bare subsistence from the bosom of the earth diminish! As well might they tell us that, as the stream rolls onward from its mountain springlet to the distant ocean, the volume of its waters is lessened by every tributary it receives into its bosom.

But it is insisted upon that there is an 'iron necessity' which compels the expenditure of more labour and more capital to produce the same returns, as more food is wanted and fresh soils are taken into cultivation! What a contradiction this to every known fact! Why, have we not been continually taking fresh soils into cultivation in this island for the last eight or ten centuries? And will any one deny that a quarter of corn can be raised now at less cost of labour and capital than in the time of Alfred? If not, how does it happen, that, whereas nearly the entire population was then employed in agriculture, *one third* is at present enough to supply the whole with food? But this is, in truth, the usual progress of nations as they advance in numbers and civilization. The proportion of their productive power employed in the gratification of new and varied tastes, for comforts or luxuries, is continually increasing;—every improvement of agriculture and the subsidiary arts enabling a smaller proportion to supply the whole with food. This law is universal, and establishes the very reverse of the proposition we oppose.

The writers to whom we allude attempt to draw a broad line of distinction between manufactures and agricultural produce, contending that the former may be indefinitely increased without any increase

in their cost of production; while the latter can only be augmented by having recourse to poorer soils at a continually increasing expense.* But it seems to be forgotten by these economists that manufacturing industry only works up the raw produce of agriculture—that cotton, wool, and flax are as much the produce of the soil as corn, cheese, and mutton; and that any supposed decrease in the productiveness of soils must act to the full as much in checking the supply of manufactures as of food. In the second place, these so much regretted and bemoaned obstacles to the extension of agriculture,—in what do they really consist? Why, simply, in the circumstance that *all* soils are not of the very first quality, and, consequently, that when the best of those close at hand are fully cultivated, an increase of produce can only be obtained by either *going to a greater distance*, or cultivating the inferior soils at hand, at a greater expense. But might we not as well complain that food is not made to drop into our mouths while we sit idle upon our haunches, as that we must go a little farther to procure it when we want more than the soils immediately within reach can supply? Might we not as rationally regret that all men are not six foot high, all trees not oak, and all flowers not roses, as that all land is not fitted for the growth of wheat? The variety in the quality of soils, far from being a disadvantage, appears to us in the light of a most useful provision of nature, having two very beneficial effects,—1. The creation of a valuable variety in the nature of their produce.

* See Malthus, *Principles of Political Economy*, and M'Culloch, *Idem*, p. 443. Edition 1830.

2. The offering of an inducement to man to spread himself over fresh and extensive districts in search of the soils best suited to his purposes, instead of concentrating his numbers in confined localities.

Indeed, under ordinary circumstances, the cultivation of inferior qualities of soil may be declared to be directly indicative of an increased power of production, and an enlargement of the resources of a people. If we take this step, it is not (as the economists already referred to declare) that we are driven to it by any stern necessity for procuring food at whatever increased cost; but on the contrary it *can* only be that we are enabled by improvements in agriculture, and its auxiliary arts, to procure it from the inferior soils close to us at a less sacrifice, than the very trifling one of either bringing it from, or removing ourselves to, the soils of first quality which remain yet uncultivated at a comparative distance. For it must be recollected that, besides the cultivation of the inferior soils, there is *another* easy resource open to a nation whose numbers are increasing, so as to press upon the limits of the subsistence immediately within their reach,—the simple step, namely, of *migration*; of extending their territorial occupation, and spreading themselves beyond the geographical limits by which fortuitous circumstances may have up to that time circumscribed their dominion. Few nations could have been opposed by any great difficulties in this extension of their territory; none could ever have found such obstacles insurmountable by a moderate exercise of foresight and ingenuity. Some may have been hemmed in by natural limits, mountains, seas, or

rivers. Some by neighbouring and closely-peopled states. But abstracting the danger of hostile collisions with their neighbours, which prudent and conciliatory arrangements might always easily obviate, no difficulties could oppose the migration of their swarms, other than the more or less of *distance* to be traversed in search of an unoccupied spot, and the necessity of preparing a sufficient stock of food for maintenance of the swarm during the journey, and until they had reduced their new territory to cultivation and fruitfulness. These are surely not such obstacles as a moderate exercise of foresight could not always with the utmost facility surmount.

Accordingly, we find this migratory process to have been frequently adopted. *Colonies* have been founded in various parts of the earth, by the overflow of nations, whose numbers were increasing inconveniently, as compared with the means of a limited territory for maintaining them. And to this natural and beneficial process it is owing that there are few extensive regions of the earth, in some corner or other of which something like a human settlement has not been effected.

But yet, after all that has been done in this respect, it is a fact that by far the greater portion of the surface of the earth remains a wilderness, contributing nothing to the support or benefit of man, however teeming with fertility, and is still open to his appropriation whenever he chooses to make the slight exertion required for this purpose. In every quarter of the globe, in Europe, Asia, Africa, the Americas, Australia, lie vast

tracts of rich and easily cultivable land, still untouched by man, and but nominally, if at all appropriated,—tracts easily accessible, equally fitted for pasturage and aration, and capable, if reduced to cultivation according to the improved methods now in use among civilized nations, of supplying a sufficiency of food for the maintenance of certainly some hundred, probably several thousand times the number of human beings now existing on the globe.

With respect to the food-producing capacities of our own country and its colonies, we may refer to the calculations of a writer in the *Quarterly Review**, who estimates the cultivable extent of our colonial territories at twenty-one millions of square miles, each capable of supporting two hundred inhabitants; *i. e.* in the whole 4200 millions of persons, or about one hundred and seventy times our actual numbers, at the present British standard of maintenance; so that if it were even supposed possible that our population should double its numbers in every generation, many generations must pass away before there could be a greater scarcity of food felt than at present; and this upon the incredible supposition, that our agricultural skill should in the mean time remain unimproved.

If it be asked what room there is for a similar development of the other nations of the earth, we answer, firstly, that there is but too much reason to fear that their misgovernment, disturbances, want of security for property, and frequent exposure to the scourges of war, pestilence, and famine, will yet for many generations to come prevent their

* Vol. xlviii. p. 60.

making much progress in population. But should a more favourable state of things turn up, Europe alone has, we are convinced, a sufficiency of surface-soils to support, if duly cultivated, a hundred times her present population ; and in Asia, Africa, and the two Americas, not even excepting China and India, the resources of the soil are as yet hardly entered upon. Look, for example, at the almost boundless plains of South America, which intervene between the Andes and the Atlantic—plains chiefly composed of deep alluvial soil, fertilized and intersected in every direction by the most magnificent navigable rivers and a rich maze of tributaries. Mr. Alexander, in his *Trans-Atlantic Sketches*, justly remarks : ‘ I often wished that some of those who think that ere long the world will be over-peopled, and that we shall shoulder one another off it, or into the sea, could view the vast solitudes of Guiana, and reflect that *nearly the whole* of the interior of the South American continent, though capable of supporting BILLIONS of inhabitants, is as yet almost entirely in the keeping of nature.’

For the capabilities of North America we refer to Mr. Stuart, who, in his late work on America, quotes from the *American Quarterly Review* a passage, the accuracy of which he confirms from his own observation, descriptive of the great plain which composes the northern portion of the basin of the Mississippi. ‘ It extends from the western slope of the Alleghany to the sand plain at the foot of the Rocky Mountains, a distance of about 1500 miles in length, and from the valley of the northern lakes to the mouth of the Ohio, a distance of 600

miles in width.' 'It is uniformly fertile, *literally all arable*. There are no sterile plains, no rocky or precipitous ridges, and scarcely any swamps, to deform its fair surface. This uninterrupted fertility arises from the decomposition of the great limestone pan on which it rests.' 'It is dry, clean, and healthful. In addition to its unlimited agricultural capacity, this great plain abounds in mineral resources. Its coal-fields would cover half Europe.' 'Iron, lead, gypsum, and saltpetre are found in great abundance.' 'Here, indeed, "every rood of land will support its man;" for of such a region, without barren mountain, or waste, where all is fertile and healthful, where no timber lands need be left for fuel, with mineral resources enough to stimulate all the arts, and contribute to supply all wants, who can say what is the limit of its future population? Europe could seat all her nations comfortably on this plain.'

Mr. Stuart describes all those portions of this vast tract which he visited as consisting uniformly of *prairie* land, thinly dotted over with timber, like a nobleman's park in England; composed of the richest vegetable soil, from three to forty feet deep, and producing from thirty to fifty bushels of wheat per acre, with oats and Indian corn in rotation, for an indefinite succession of years without manure. He describes second crops of wheat, *self-sown from the mere droppings of the former crop*, as producing thirty-four bushels per acre! and with proper cultivation forty bushels are sure to be obtained as an average annual crop.*

* Stuart: *Three Years in America*, vol. ii. pp. 387, 404.

A simple calculation will show us that the plain thus described contains 900,000 square miles, or 576 millions of acres. Let us allow something for the exaggeration of its description, and suppose only 500 millions of acres to possess the qualities attributed by these writers to the whole. Each acre, producing annually forty bushels of corn, would well support a family of four persons; so that here, *in this one valley*, there is ample room for *twice* the entire population of the globe to provide themselves with an abundance of the most nutritious food. *And this is but one half of the basin of but one American river!*

To return to the old world, look, we say, at Asia Minor, Persia, Central Asia, and the vast extent of Asiatic Russia,—can it be doubted that these districts, under a government which protected industry from unjust exaction, would afford sustenance to very many times their present number of inhabitants? Of the capabilities of Northern Africa for colonization, an experiment is now, we hope, in course of trial. It is known that a great extent of its surface was once highly cultivated, and supported a dense population. And we can see no reason for believing, that, with the aid of modern skill and science, it may not again be brought to at least an equal state of fertility. Of the central parts of that vast continent, south of the Sandy Desert, too little is known for us to speak with any confidence of its resources; but harassed and brutalized as its inhabitants are, for the most part, by the odious traffic in slaves, oppressed by predatory tribes, and subjected to the tyranny of atrocious despots, it is impossible

to believe that their numbers have as yet made anything like an approach to the limits of the capacity of the country for their support.

So far, therefore, from its being true, that the population either of the British kingdoms, or of the world at large, is already as numerous as can be maintained off the soils which are at their disposal, we believe it does not reach the one-thousandth part of the number which these soils would feed, were the agricultural skill, and science, and other resources which the most advanced among the nations even now possess, judiciously applied to their cultivation; and we can see nothing to prevent those resources being, in the course of time, themselves multiplied a thousand-fold by future discoveries and improvements. It has been calculated, as we have already said, that one acre now may be made to maintain as many human beings as could live upon a thousand acres of hunting ground, in an age when man lived by the chase alone. Can we presume to assert, that in the progress of agricultural chemistry, the science of manures, and vegetable and animal physiology, other improvements may not carry us as far forward again, so that, if need were, even the thousandth part of an acre may support as many as one acre does now? Strange as this may sound in the present state of our knowledge, things that sounded as strange to our forefathers have already been brought about.

But it is said, we must be brought to a standstill *at length*, for the surface of the globe will afford elbow-room for but a limited number! Dr. Chalmers seriously adduces this ultimate pro-

spect as an argument, and laments over the risk of men becoming as thickly packed 'as mites in a cheese!' Now, in the first place, the predicted calamity does not appear to us so very fearful—the mites, for aught we can see, have a very happy time of it. In the next, we submit, that when there appears any near prospect of such an over-peopling as that—of a deficiency of standing-room for the inhabitants of the world—it may be time to consider the propriety of restraining the inclinations of young men and maidens to marry and be given in marriage. And it ought to relieve the anxiety of these philosophers for the fate of such as may have their lot cast in those distant times, that in the works of Mr. Malthus and Dr. Chalmers, of which doubtless that remote posterity will possess the ten-thousandth edition, they are provided with a specific—*infallible*, by their account, in its effect of 'upholding a well-conditioned state of society,' by checking the rate of increase at any point where it may be considered desirable—within 'the limit' of comfortable arm's length for example, or the proportion of square feet of stowage that is allowed to each individual on board a man-of-war! The very confidence the Malthusians possess in the excellence of their specific ought to be enough to convince them, that no ultimate injury need be apprehended from the over-increase of population, with so obvious and easy a resource at hand. But to persuade us to have recourse to it now—when, in some quarters of the globe, next neighbours are separated by an interval of leagues, and the progress of civilization is delayed, not by a redundancy, but a deficiency

of hands—when, as we have shown reason to believe, the earth is calculated to hold *at least* a thousand times its present numbers without any symptom of inconvenience either from want of food or room—when, even were every nation under the sun to be released from all the natural and artificial checks on their increase, and to start off breeding at the fastest possible rate, many, very many, generations must elapse before any necessary pressure *could* be felt—and when, unhappily, the melancholy truth is, that there is little probability of any number of nations, perhaps not even of one, being placed for ages under such favourable circumstances—in this, the actual state of things—to bid mankind, or rather *the peasantry of Britain*, on their peril, to refrain from marriage, lest *the world* be *immediately* over-peopled!—This is indeed right midsummer madness—the *ne plus ultra* of moonstruck, Laputan philosophy. And our only wonder is, that these expansive philanthropists—who would starve the present race of man in their benevolent care for the comfort of his posterity in the hundredth generation—do not likewise preach a crusade against artificial fires, as robbing the atmosphere of its oxygen; stint us of spring water, lest we drink the heavens dry, or shrink the level of the ocean; and call for a prohibition of dark colours, as tending by their absorption to exhaust the sun of his light. Air, light, and water—like the food-producing powers of the earth—have their ultimate limits; and we are probably as near to the one as to the others.

It is evident, then, that there is not as yet, and

never has been, any *necessary* bar or limit to the supply of human food, and consequently to the increase of human population. That locally and temporarily such a limit has been continually felt, as societies increased beyond their actual provision of the means of support, is consonant to the supposed course of human progress which we have just sketched out, and amounts to this truism, that a growing society constantly *needs* an enlargement of its supply of food. The advantages man has derived from the pressure of this necessity, in continually 'sharpening his wits,' and urging him to devise means for removing the local limit to his supply of necessities, are as obvious as they are incalculable. But it is quite evident that this continual 'pressure of population against food,' was either caused by the natural unwillingness of man to labour to produce more food than he had occasion for; or at the worst, by the unwise misdirection of his resources; since it was at all times open to him, by the exercise of a very slight degree of foresight and industry, to enlarge his supplies of sustenance as his numbers and wants increased. And this by one of two alternatives, either by taking into cultivation the inferior soils which were under his hand; or, if he found it more agreeable or more profitable, by sending out the growing excess of his numbers to occupy, cultivate, and people, whatever unappropriated and highly fertile portions of the earth lay most convenient for his purposes.

We are far from denying that want and famine have constantly been at work, thinning the ranks of the great human family. Nay, it may be ad-

mitted that (in the words of the chief supporter of the opposite doctrine, qualified as that doctrine has been of late by successive recantations) ‘there has never been a period of *considerable length*, when premature mortality and vice, specifically arising from the pressure of population against food, has not prevailed to *a considerable extent*.’*

But what we maintain is, that this evil has ever and everywhere been the consequence of the folly or criminality of man, of his mistaken arrangements or anti-social passions—usually of the oppressive extortion of his rulers,—NEVER, in any one instance, of a necessity which could not have been easily obviated by wise and prudent forethought, in proportioning (not the number of feeders to the supply of food, but) the supply of food to the probable demand,—still less to any inherent law of nature, such as Mr. Malthus and his followers insist upon, rendering it the deplorable destiny of man to wage an eternal and unsuccessful struggle against famine.

Misery and vice enough, indeed, have there been. But these evils have never been occasioned by ‘the tendency of population to press against the means of subsistence.’ That tendency has been productive of incalculable good, and of no evil that might not with the utmost facility have been avoided. There was always at hand more than one simple, easy, and effectual resource for keeping the means of subsistence level, *at least*, with

* Malthus’s Letter to Senior, 1831. He should have added a third qualification to make the assertion accord with truth, viz., ‘in some considerable quarter of the globe.’

the wants of any possible population. The misery and wo, the vice and starvation that have exhibited themselves in such frightful frequency among men, have been ever the effect of tyranny and crime, of misgovernment, of the indulgence of their evil passions; of the misdirection of the exertions of a people, not so much through their own ignorance and mistaken views (for the instinct which prompts the man, as well as the ant, to secure himself from hunger by timely precautions, might be safely trusted to accomplish that end), as through the force or fraud of the powerful, and the control of unjust or unwise institutions, which have tied up the hands of millions, and prevented them from helping themselves to the abundance provided by a bountiful Creator as the meet reward of their exertions; which have confined them by artificial restraints, enforced for the benefit of the powerful few, till disease and famine have thinned their numbers, or, like caged rats, they have been goaded by despair and hunger to prey upon each other.

Enough has been said, we think, to prove that there OUGHT to be no deficiency of food in a civilized community—that there CAN be none in any whose home resources are well and prudently managed, and where, when these incline to fail, a provident use is made in time of the great natural resource of emigration.

But it may be said, ‘Man does not live by bread alone;’ there are many other things almost, if not quite, as necessary to him: clothing, fuel, shelter, and the decent comforts of civilized exist-

ence. The same argument, however, which we have used with respect to food, applies equally to all these things. In a community which has made any considerable advance in the arts, there ought to be, and, in the absence of the grossest mismanagement of its resources on the part of those to whom their direction is intrusted, *must be*, an ample abundance, not merely of the necessities, but likewise of the comforts and conveniences of life, for every individual member who has not by his own vice, folly, or criminality, forfeited his share. And, indeed, this follows so directly from the mere definition of an advance in civilization, that we are wrapped in astonishment at its ever having been disputed.

The effect of a continued improvement in the arts of production is to increase the productive power of *every individual*, and consequently to augment the aggregate productiveness of a nation *in proportion to its numbers*. Whether the improvement be in agriculture or the other useful arts, it tends directly to enable each individual in the community to obtain an increased share of some one of the necessities, comforts, and luxuries of life by the same expenditure of labour and capital, or the same share as before at a less expense; leaving him a surplus of means applicable to the acquisition of some further gratifications.

It is not denied by any that the productive powers of man, his skill, and knowledge, and artificial resources, have been continually on the increase; nay, that they have multiplied, within a few years past, in an extraordinary degree. Those of nature, on the other hand, have surely under-

gone no decay. On the contrary, every hour is opening to us a knowledge of fresh natural powers with which we were before unacquainted. There is certainly no deficiency of space for the development of man's industry; nor is there any lack of water to turn his machinery and float his shipping; of winds to impel them over the ocean; of fuel to supply his furnaces and animate his engines; of mineral veins to afford him the metals, or of rocks to yield him the stones he employs in the various arts. There is no deficiency, as we have seen, of unoccupied soils, of the highest fertility and easily accessible by him, on which to rear innumerable flocks and herds, and to produce—if he choose to cultivate them—infinite supplies of cotton, silk, flax, hemp, indigo, and every other raw material required for the fabrication of endless comforts and luxuries, as well as of corn, wine, oil, and every other vegetable substance which he may be desirous of consuming as food. There is therefore, in our conception, no discernible cause why his capital, his wealth, and the abundance of the necessaries, comforts, and luxuries of life at his disposal should not, if he chooses, increase *as rapidly, at least*, as his numbers: whilst every improvement in his skill, and every addition to his knowledge plainly puts it in his power to cause all these means of enjoyment to increase in a still faster ratio than his numbers, and consequently to cause a continual augmentation of the average share of each individual in the society.

It has been, however, urged by writers from whom abler views might have been expected, and repeated by others, who have learnt a parrot-lesson

from them—until the dogma has been received as a fundamental axiom from which the main propositions of political economy are to be deduced—that it is next to impossible to make the increase of capital keep pace with that of population; that the latter has an inherent and perpetual *tendency* to outstrip the former, and that this tendency can only be counteracted, and the evils it threatens to produce obviated, by a prudential limitation of the numbers of every society, so as to keep their rate of increase within that of capital. Mr. Malthus, as we have said, was the originator, and crowds of disciples have been the zealous propagators, of this signally absurd and mischievous fallacy. Absurd, because resting on a theorem about the arithmetical and geometrical ratios in which food and population are declared to increase, announced with a ludicrously imposing air of science, and, in as far as it bears on the subject, directly the reverse of the truth—since the *tendency* to increase, or *prolific powers*, of the vegetables and animals which form the food of man, greatly exceed, instead of falling short of, his own powers of increase. Mischievous, because the direct inference from this miserable dogma (an inference which Mr. Malthus and his disciples lost no time in drawing and promulgating by every means in their power) is, that human suffering is *not* the consequence of human error, but the necessary result of a law of God and nature;—that no relief afforded by legal or spontaneous charity to the miserable *can* mitigate misery; that the poor have no claim whatever upon the assistance of the rich; that governments have no power what-

ever over the physical welfare of their subjects; that all efforts to make food or capital keep pace with population are vain and fruitless; and that the endeavours of man should be exclusively directed to keeping his numbers within the limits of the means he at present possesses for maintaining them. The simple consideration we have adverted to ought long since to have exploded these anti-social and barbarizing errors. For what composes the *subsistence* and the *capital*, whose slow rate of increase is complained of as limiting the numbers of mankind; what, but the things we have spoken of—the corn, wine, oil, hemp, flax, iron, and all the other joint products of the labour of man and nature? And if it be true that there is, as yet, no symptom of deficiency on the part of nature, every addition to the numbers of man (supposing his skill and knowledge not to deteriorate) must add proportionately to his power of producing subsistence and capital of any and every kind that he may desire. The increase of population is *pro tanto* a direct increase of the means of generating capital. And if the skill, and knowledge, and industry of a people increase at the same time with their numbers (and their known tendency is to increase with rapidity, under wise institutions), it is *their* fault, and theirs only, if their capital, and subsistence, and the aggregate of the means of enjoyment to be shared among them do not increase, not only in the same, but in a much larger, ratio than their numbers.

Should they, indeed, choose to be contented with less; should they prefer idleness and moderate present enjoyment, to industry and a great increase

of future enjoyment ; should their spirit of accumulation and production flag *through satiety*, that would be some reason for a diminution in the rate of increase of capital and wealth, but not for such a diminution as could ever be productive of privation or suffering ; since these would immediately act as stimuli to a renewal of the efforts of industry.

We know, however, that the love of saving, and the appetency for new and varied enjoyments, and the readiness to invent new means of gratification, have not experienced, nor are likely to experience, any such relaxation. On the contrary, the ardour of gain grows more intense by indulgence ; and production is never likely to fall off through a general unwillingness to consume.

But, in fact, capital, in the sense in which it is employed by those writers who declare its deficiency to be the main check upon the comfortable maintenance of an increasing population—namely, the fund for the employment of labour and the subsistence of the labourers—consists simply in food, or the means of obtaining food. We have already shown how absolutely inexhaustible is the capacity of the earth for supplying with food almost any conceivable, certainly for many ages any possible, multiple of the number of human beings now existing on its surface, if they will only take the simple, easy, and obvious means which a very slight exercise of foresight and prudence would place in their power for availing themselves of this capacity. Those means—to quote the words of the historian of the middle ages—are two ; ‘ the one by rendering fresh land serviceable—the other by improving the fertility of that which is already

cultivated.' The last is only attainable by the application of increased skill or fresh capital to agriculture; the former is *always* practicable while waste lands remain of sufficient natural fertility.*

Any inconvenient pressure, therefore, of population against food can only be owing to want of foresight and management on the part of the people or their rulers. If improvements in agriculture or the growth of agricultural capital do not take place fast enough to supply the growing population from their home soils, there remains the sure, and easy, and effectual resource of migration to some of those other lands of extraordinary fertility and unbounded extent which lie open to the occupation of any portion of the family of man throughout both hemispheres, and seem to reproach us for having so long neglected to avail ourselves of the endless bounties which nature has there lavishly poured out for our acceptance. Can we then, under these circumstances, justify the narrow and inconsiderate reasoning of those who tell us that the world is already too fully peopled; that all the evils of society arise from this excess of numbers; and that no hope remains for miserable man except by such a cultivation of his prudential faculties as will lead him to renounce, till a late period of his life, if possible for his whole life, that sacred, healthful, and blessed tie which religion and society have substituted for the vicious, promiscuous satisfaction of an irrepressible instinct! We will not go into the arguments by which it has been proved that any attempt to

* Hallam, iii. p. 366.

check or defer marriage only encourages vice ; or those by which it may be easily shown that the ties which the Malthusians reprobate are the source of the largest supply of happiness which human life affords. We content ourselves with having *proved* the utter absence of a necessity for any check whatsoever on the natural increase of population ; and we leave it to others to calculate the immense amount of crime, vice, and misery, and the still more immense annihilation of human happiness which would be brought about were the advocates of the prudential check upon marriage successfully to propagate their doctrine, and induce large masses of people to bend their energies and direct their prudential efforts to the keeping down of their numbers, instead of to the easy task of providing those numbers with increasing supplies of food, comforts, and the means of enjoyment.

We likewise advocate prudence, and would wish to inculcate it, by education, in every class. But we differ wholly from Mr. Malthus, Dr. Chalmers, and their disciples, as to the direction which a wise, prudential foresight ought to take. *They* would direct it almost exclusively to a limitation of the number of consumers : *we* deprecate any interference with the natural increase of human beings, which Providence has intended, and for whom He has provided ample means of subsistence and enjoyment in this world ; not to speak of the awful topic of the eternal happiness prepared for them in another. And in lieu of the narrow, selfish, niggardly, and, as we view it, criminal prudence inculcated by these authors, we would urge the

direction of man's foresight to the augmentation of his resources, to the improvement of his skill, the increase of his capital, the enlargement of the field of his territorial occupation; means, of which some, if not all, are at all times within his power, not only for removing to an indefinite distance any pressure of population on subsistence, but of adding continually to the materials of happiness at the disposal of every individual of his race, however rapidly their numbers may be increasing; and the more rapidly they increase under such circumstances, the better.*

* The extraordinary hallucination of the writers I am here opposing is well displayed in the economical works of the eloquent Dr. Chalmers, who has done some service to the cause of truth and humanity, by carrying the Malthusian argument to that extremity in which its absurdity and falsehood become glaringly manifest. Take, as an instance of the perfect conviction which this beautiful imaginative writer entertains upon the truth of a most self-evident fallacy, the following passage from the Preface to his last work, 'The supreme Importance of a right Moral to a right Economical State of the Community; with Observations on a recent Criticism in the Edinburgh Review:—' "That the rate at which population *would* increase, if the adequate means of subsistence were at all times within reach, *greatly exceeds* the rate at which the means of subsistence *can* increase, with all the aids and practicable openings which either the mechanical arts or the sound and liberal policy of governments could afford to human labour, we have long regarded as a position, founded both on the widest possible experience and the clearest possible demonstration. This is the *one doctrine*—which, *whether in respect of evidence by observation, or of deduction from reasoning, is more like a TRUTH IN MIXED MATHEMATICS, than any other doctrine in the philosophy of human affairs!*"

Now there are, as this author says, two modes of testing the truth of this doctrine; "deduction from reasoning,"

If, indeed, there is any one desire or design more manifest than another throughout the works of nature, or more worthy of the benevolence of nature's great Author, it is that there should be the utmost possible multiplication of beings endowed with life and capacity for enjoyment. We do not see that nature has contented herself with esta-

and "observation." Let us try both. "Reasoning" informs us, that since man *can* only double his numbers in (to take the narrowest alleged period) twenty years, while wheat *can* be multiplied in the same period by many more million of times than our language has words to express or than our paper could admit in ciphers; "the rate at which the means of subsistence *can* increase," infinitely exceeds the rate at which population *can* or *would* increase under any conceivable circumstances of plenty. "Observation," on the other hand, informs us, that in America, Australia, and perhaps some other parts of the globe, where a wise system of institutions, and particularly of those laws by which the occupation and cultivation of land is permitted, place "adequate means at all times within reach of the entire population," "the rate at which population increases" *does not* at all "exceed the rate at which the means of subsistence *do* increase;" but that, on the contrary, the only complaint is that people do not increase fast enough, and that there is a lack of consumers for the quantity of food annually produced; much of which is wasted, because not worth the trouble of carefully gathering from the overflowing fields. Here, then, the two tests appealed to by Dr. Chalmers amply and undeniably *disprove, instead of supporting*, that "doctrine" which he compares, in the plenitude of his unaccountable blindness, to a *truth in mixed mathematics. Ex uno omnes!* And this doctrine has, it is painful to know, long reigned triumphant among statesmen and writers on national welfare; has been received as the axiomatic basis of whole systems of political economy, and the justification of both public measures and private conduct deeply affecting the very existence of the lower classes of society and the first interests of humanity.

blishing little groups of organized beings in snug corners, to thrive there in security and content, through a nice adjustment of their numbers to the food within their reach;—whether proceeding from a mysterious adaptation of their procreative powers to their numerical state, as in Mr. Sadler's gratuitous hypothesis,—or, from a self-regulating power, dictated by instinct, or prudential intelligence, according to Mr. Malthus's equally unnecessary suggestion? No! abundance, extension, multiplication, competition for room, is the order of creation; and the only limit to the increase of each species, the mutual pressure of all upon each other. But, if there is any one species of the animate world, whose multiplication we may venture to suppose an especial object of the Divine regard, can it be other than that which alone of all He has endowed with a particle of His spirit—with intellect, reason, speech, the faculty of *improvement*, and an *immortal* soul? Whilst every other species is taught to spread and multiply as widely as its relative powers allow, is MAN alone, though conscious of his sovereignty over all the rest of living creation, to confine himself carefully within a limited area,—alone to apply his energies to *prevent* the increase of his numbers, the enlargement of his resources, and the extension of his dominion? How blinded to the one grand object of creation,—to the one supreme attribute of the Deity,—to the one most elevating circumstance in the position of man on the globe, must he be, who would so limit his expansion, and annihilate the bright future of his race!

This monstrous doctrine we consider to be as

pernicious in its moral as in its economical tendencies. By holding out to all, that improvements of any kind are useless, and even mischievous, for that 'every enlargement of our resources only tends to land us in a larger, it is true, but a more straitened population,'* it directly discourages all attempts at the amelioration of our condition, whether public or private; and fosters in all classes a selfish and apathetic indolence, a mean distrust of our own powers, instead of that confident determination to employ them to the utmost, which, under fair play, is almost certain to overcome every obstacle. It gravely tells us to cease our efforts for enlarging our resources, and direct them wholly to limiting our wants!

Again: by this doctrine the wealthy and the powerful are completely absolved from the duty of contributing to relieve the distresses of their poorer neighbours, either by direct charity, or a just and wise attention to the economical means for improving their condition; since all such attempts are declared to be not only fruitless but mischievous. It directly frees a government from all responsibility for the sufferings of the mass of the community, by throwing the blame entirely on nature and the improvidence of the poor themselves, and declaring the evil to admit of no remedy from any possible exertions of the legislature. We cannot imagine any theory more destructive than this would be, were it generally received, whether among the higher and more powerful, or the lower classes themselves; and we must consider those who labour to propagate

* Chalmers' Political Economy

it, though including, we are well aware, many of the most ardent and benevolent philanthropists of the age, to be, unconsciously, the worst enemies of their race. That the ground of their argument is utterly untenable, we think we have said enough to demonstrate, and to put the question for ever at rest. They build all their theory on the assertion, that population tends to increase faster than food *can* be provided for its support. We affirm the direct contrary, viz. that it is in the power of man, by a judicious direction of his resources, to increase his supplies of food so as to meet every possible increase of his numbers:—at least until the world is fully peopled,—a term from which we are farther off now than we were at any former time since the creation. They declare, that of the three only elementary sources of human wealth, land, capital, and labour, the last tends to increase so rapidly as to occasion, by the effect of competition, a distressing pressure upon the labouring class; and that the only remedy for this distress is a self-imposed check on its supply. We assert that a redundancy of labour can only be brought about by mismanagement, so long as there is no deficiency of the two other elements, *capital* and *land*;—that the deficiency of land at present is merely *local*, and confined, indeed, to the British islands, and perhaps the Netherlands, and one or two states of Germany;—that there is no *general* deficiency of land, or of space, through the world, for the full development of labour, aided by all the appliances which modern skill, industry, and ingenuity bring to their assistance, nor any appearance of the possibility of such deficiency;—that there

can be no deficiency of capital while land and labour are not wanting, and the saving principle continues inherent in man's nature ;—that, consequently, no limit can be assigned or anticipated to our productive powers, judiciously exerted on that vast and prolific field which nature, or rather we would reverently and gratefully say, a beneficent Creator, has spread out before us and called on us to cultivate.

————— ‘*Spatium Natura beatīs
Omnibus esse dedit, si quis cognoverit uti.*’

CHAPTER XII.

CAUSES OF POVERTY.

Mismanagement of resources.—Faulty Institutions.—Economic structure and habits of Nations.—Errors in all.—Precarious position of the bulk of the British people.—History of the Labouring Class of Britain.—Liberty and Pauperism coeval.—Origin, principle, means and results of the Poor-Law.—Prejudice against it.—Use confounded with abuse.—Its mal-administration.—Allowance System.—Reform of the Poor-Law.—Proposed Commutation of Poor-Tax for compulsory Mutual Assurance Fund.—Necessity of Poor-Law for Ireland.—General Scheme of Emigration.—Summary of means for extinguishing Pauperism.

MISMANAGEMENT, then—the most gross and palpable mismanagement of the resources at the disposal of man, in his collective or individual capacity—is, we maintain, the sole cause of the existence of want or poverty upon earth, and of the dread array of physical and mental sufferings which poverty and want engender. Calamity resulting from casualties and disordered health is unavoidable ;—instances there will always remain, we fear, of individual misery occasioned by individual misconduct, (though a system of general education in sound principles and virtuous habits will go far to put an end to this source of evil ;)—but, unless through ill-health, accident, or misconduct, misery *ought* not to be found upon earth ! Happiness—all the happiness, at least, which is directly or in-

directly derivable from an abundance of the necessities and conveniences of life—ought to be within the easy reach of every individual, even of the lowest class, in every human society.

So great are the persevering industry and inventive genius,—so strong the passion for accumulation,—so endless and insatiable the desires of man, that when the development of these qualities is not impeded by the rapacity of power or the trammels of officious legislation, his means for the production of enjoyment (both skill and capital) tend, as we have shown, to increase in a far more rapid ratio than his numbers. So that, under institutions securing a judicious management of a nation's resources, and an equitable distribution of their produce, (abstracting the interference of external and extraordinary causes of reaction, such as wars, pestilence, or famine,) the share of each individual in the community is sure to be continually increasing.

Why such has not been the case hitherto in most civilized communities—why the progress of knowledge, the increase of the powers of man over nature, and the augmentation of his means for gratifying his desires, have not proportionately added to the general happiness;—why the mass of mankind, the greater number of almost every people under the sun, are yet insufficiently supplied even with the means of satisfying their coarsest wants;—why poverty is yet so general as to seem the law of human existence rather than the exception;—why misery and its offspring, vice and crime, yet wield their iron sceptre over a large proportion of the human race;—why industry still fails to secure its reward;—why prudence is

yet no guarantee from distress ;—why, as wealth increases, poverty does not diminish ;—why the more men produce the less they usually have to consume ;—why the blessings of heaven are turned into curses ;—why plenty seems to generate want, and abundance is complained of as the cause of privation ;—why these strange anomalies exist, (as it cannot be denied that they do exist) ;—what, in short, is the nature of the mismanagement that occasions the economical evils under which man so cruelly suffers, and what are the means by which they are to be cured—is the question we now address ourselves to solve.

Laws for protecting the production, enjoyment, and accumulation of property, and for regulating in some degree its distribution, are essential, as was shown in an earlier chapter, to the working of every system of social welfare. But as society complicates and subdivides itself, these laws, even though they were originally adapted with the utmost wisdom to its early condition, must, in order to answer their end, be made continually to yield and accommodate themselves to the altered form and disposition of its parts. In point of fact, however, the institutions of no nation ever possessed the perfection we have supposed. Far from having been framed at the first in a compact and well-ordered system with the view of securing the greatest attainable benefit to the community for which they were made, they have generally consisted of a bundle of shreds and patches, the work of accident, association, ignorance, force, or cunning, to the full as much as of wise and well-meaning deliberation for the common welfare. The history of every nation exhibits a constant

series of struggles on the part of the people to ameliorate their institutions, and accommodate them to their wants—a struggle which has but too rarely succeeded, being one of the simple against the crafty, the weak against the powerful, the industrious against the idle—a struggle of the many whose interests are those of the community at large, with the few who have acquired an interest in institutional abuses—a struggle of those who justly desire to enjoy the fruits of their labour, with those who desire unjustly to enjoy the fruits of the labour of others !

Hence it happens that few societies have ever yet taken that form which, by doing justice to all classes, would allow each to claim and receive its due share of the general property and produce, according to the principles of equity, and the mode in which the efforts of unrestricted, unburdened industry would spontaneously distribute them. The varied circumstances that have affected different nations in the past periods of their history have impressed on each a form of social arrangements more or less peculiarly its own. When one nation has invaded another, the conqueror has generally carried with him a predilection for the institutions of his native state, and by his endeavours to impose them on his new acquisitions, has created a compound of the two. The maritime or inland position of a country, the character of its climate, and the nature of its principal productions, have had a considerable influence on the institutions of its inhabitants, by determining their pursuits, and modifying their national character. The physical and mental disposition which a people inherit from their remote ancestry, and which has been by some

considered to characterize separate races—must in like manner have always exercised a very considerable influence over their social arrangements. The economical and political condition of every nation is, in short, the compound result of accidental extraneous circumstances and internal character. Where the latter is deficient in energy and the spirit of improvement, a people may retain for centuries the same unvaried habits, laws, and economical condition. When, on the contrary, these qualities are strongly developed, a process of internal fermentation will be continually going on, through the efforts of the people to avail themselves of every opportunity for the amelioration of their circumstances;—changes will occur in the form and character of their institutions, more or less sudden and violent, or gradual and gentle, according to the greater or less degree of resistance, which accident, or the stubbornness of the depositaries of power, may oppose to the natural tendency of the society to improvement. The nations of the East, and especially of the farthest East—China and Japan—offer an example of the first kind; the western states of Europe of the last. The former, though undeniably possessed at an exceedingly early period of a very considerable knowledge of the arts and sciences, have stagnated for centuries in the same torpid and unimproved condition;—the increase even of their numbers being checked by the unelastic nature of their institutions, which forbid any enlargement of their resources at all proportionate to that of their wants. The latter, though dating their origin from a comparatively recent period, and having still more recently acquired that knowledge of the

arts and sciences which the Orientals seem to have possessed from the remotest ages, have yet made a constant, and of late, in some instances, a rapidly accelerated progress in the improvement of their economical capacities—which, if not immediately, must, before long, be followed by a parallel improvement in the economical condition of their component members.

Meantime, even in the most advanced European states, there is so much of evil yet remaining in the texture of society,—and the institutions by which that texture is fashioned still exhibit so wide a departure from the principles of natural right which we have shown to be necessary for securing the greatest production and most equitable distribution of the purchaseable means of enjoyment,—that there is nothing to excite wonder in the continued existence of want and poverty, in the midst of the elements of wealth and abundance: the wonder is that the evils, being so great and so capable of cure, are so easily submitted to by intelligent communities.

Each country has some peculiar disadvantages in the structure of its society, by which the improvement of its economy is more or less impeded. We have no intention of entering into an examination of these defects or their remedies as respects foreign nations; though what was mentioned in a former chapter on the influence of the serf and métayer systems on the condition of the people of those European countries where they prevail, will suggest some of the most obvious and fatal impediments to the progress of improvement in that part of the world; and whilst we confine our examination to the economical structure of this community alone, we shall have to comment

on many errors which are common to the institutions of other civilized nations.

At present, the great majority of the people of the British islands consists of *labourers for hire*—persons, that is to say, who depend for their daily maintenance on the wages of their daily labour; possessing very little property, other than a trifling degree of acquired skill, and their manual strength. The land from which raw produce may be obtained by labour, the tools and machinery which are indispensable to labour, and the stock of food on which the labourers must be subsisted while at work, are all appropriated by other classes. The circumstances under which this distinct appropriation took place will have been gathered in part by the reader from the historical sketch we lately gave of the occupation of land, and the generation of capital in this and other countries. It has been the result partly of the natural laws of distribution, which tend, as we have seen, to divide society into classes pursuing different occupations, and enjoying a great inequality of condition—partly of circumstances connected with our political history and institutions, influenced as both have been by the peculiar national character. The effect—whether good or bad on the whole, we will not determine—has been *to place the great body of the people in an exceedingly precarious position*. The owners of land, and the owners of capital of every kind, are removed from all danger, or dread, of immediate want; since, in case of the failure of a profitable demand for what they bring into the market, they are sure at least of being able to exchange it for *the means of subsistence*. The

labouring class, on the contrary, on any failure of the ordinary demand for the labour which is their only property, have no resources to fall back upon, and no other means of obtaining even a temporary subsistence. It is impossible to deny that this circumstance places them in a position of peculiar hardship, leaving them almost entirely at the mercy of the other classes, who have the power at such times to withhold from them the necessities of life, or dole them out on almost any terms they choose to make. It becomes, therefore, in such a country, the imperative duty of the government established for the advantage and equal protection of all, to keep an especial watch over the condition of this class, and lend its aid to prevent their suffering, either from want or oppression, through the peculiarly disadvantageous circumstances in which they are placed.

The legislation of this country, with regard to the labouring class, has been of a mixed and chequered character. One great benefit has undoubtedly been conferred on this class in the **POOR-LAW**—the poor man's charter, as it has been most justly called. It is equally certain that a series of successive enactments have at various times counteracted this benefit to a great extent; while the negligence of government in not taking measures for securing the due administration of this law has combined to oppress and injure the labouring class.

Without meaning to deny that the statesmen and legislators of Britain have at times been influenced by a benevolent and just regard for the welfare of the great bulk of the people whose destinies they commanded, yet it is impossible to

trace historically the various statutes that relate to this subject, without being convinced that while those which inflicted evil on the labouring class were dictated by an unscrupulous and avowed regard for the interests of the high and the wealthy, those which have conferred benefits on the lower orders originated, for the most part, in scarcely less interested motives, and were extorted from the fears, rather than conceded by the justice and benevolence, of the powerful.

The gradual transition of the labouring class from a state of servitude to one of free labour for money-wages was brought about, as in an earlier chapter we remarked, by the force of circumstances, and in spite of the lords and masters of those days, not with their good will. The almost continual state of warfare, and the incessant struggles of the kings with their nobles, made it a matter of necessity for both contending parties to liberate large numbers of villeins for the purpose of recruiting their armies, and to conciliate their retainers of every class by the concession of new privileges and immunities. But even whilst this process was going on, efforts were made at frequent intervals to counteract its beneficial tendency, by imposing severe restrictions on the freedom of the labourer. Numerous statutes were passed, fixing the rate of wages, and prohibiting the removal of labourers from one place to another—directing how they should be fed, clothed and lodged—in short, endeavouring, by a variety of legislative contrivances, to maintain the conditions, while it was found necessary to abolish the name, of compulsory servitude.

These measures, however, met with constant resistance from the sturdy natives. The insurrec-

tion of Wat Tyler proved to the haughty barons and their sovereign that the people of England, once free, were not to be re-enslaved; that they were bent upon obtaining a recognition of their right to liberty, and a mitigation of the oppressions under which they laboured. Within the next century great advantages had been gained by the labouring class. The race of villeins was nearly extinct, and money-wages had almost quadrupled, in spite of the statutes repeatedly enacted for the purpose of keeping them down.

There was, however, this disadvantage incidental to the change, that whilst, under the system of feudal servitude, the lord was bound to maintain and protect his dependents under sickness and infirmity,—so, as this system declined, and men ceased to be the property of their employers, they were in impotence or old age left destitute of certain support from any quarter, and forced to throw themselves on the voluntary almsgiving of the charitable. The free labourer now entirely depended for his maintenance on the demand for his labour. And at times when this was slackened by casual circumstances, he was liable to suffer from the difficulty of finding work.

It was thus that liberty and pauperism grew up together; and as a variety of political events tended to increase the number of beggars and able-bodied freemen, roving in search of work, it was before long found absolutely necessary to check the evils accruing from this state of things by statutory measures for restraining mendicancy, providing relief to the poor, punishing the idle, and setting to work those who were willing to earn their bread by their honest industry

In the year 1376, complaint was made by the Commons of the multitude of beggars and sturdy vagrants that infested the cities and boroughs, and in several succeeding years statutes were passed to fix the limits within which the poor were to be allowed to beg, to enforce the removal of beggars to the place of their birth, and partly to compel the maintenance of the impotent and the employment of the able-bodied within certain districts. In these statutes are contained the germs of our present poor-law. But their operation was ineffectual. Beggary and vagrancy continued a growing evil for more than another century, during which the legislature was frequently engaged in fresh attempts to restrain them by inflicting punishment on the idle vagabond, and affording relief to the well-disposed poor, partly by voluntary, partly by compulsory contributions.

None of these experiments, however, succeeded, until at length, in the famous 43d of Elizabeth, the preceding statutes were consolidated and methodized into a plain, simple, and effective provision for securing the maintenance of the infirm poor, and the employment of the able-bodied, within the limits of their respective parishes, by a tax upon the property of each parish. By means of this statute it became possible effectually to prevent both mendicancy and vagrancy, through the provision of a sure resource for the destitute of both classes. And the grievous nuisance which had so long afflicted the country, and, by rendering property insecure, had materially checked the development of industry and the accumulation of capital, was completely abated. A love of peace and a

respect for the law,—of which they so directly, in this instance, felt the benefit—supplanted among the lower classes the spirit of ruffianism and outrage. Order and tranquillity reigned through the land, instead of turbulence and crime; and the consequent security of property encouraged the accumulation and productive engagement of capital. England henceforward began to develop her great natural resources; and the vast wealth, unrivalled power, and solid greatness of the nation have arisen from the concession of security and legal protection to the class which forms the base of the pyramid of society.

The benefits conferred by this immortal statute have been frequently impugned;—but, in our opinion, only by persons who take a very narrow, false, and unphilosophical view of the principle it consecrates, of the means it employs, and of the effects it has, by the evidence of all history, produced.

The principle of the poor-law is the maintenance of the peace and security of society by the suppression of mendicancy, vagrancy, and petty plunder, which no other course can by possibility prevent. It is not to be looked upon as a measure of charity, so much as one of *police*. Undoubtedly, charity, even heathen humanity—but *Christian charity most especially*,—must render it imperative on the wealthy to provide for the necessities of the poor; and the only mode of duly apportioning the distribution of charity to the wants of the necessitous, and its burden to the respective means of the wealthy for contributing to it, is a

legal and methodical system of levy and relief. Justice, again, no less than charity, calls for the enactment of such a law in every country where society is in a complicated and artificial state;—where the law, by appropriating every inch of the national soil, (the common gift of Heaven to such as are born into existence upon it,) has prohibited the poor man from supporting himself by the sweat of his brow off the land of his birth. This is the *birthright* of every individual—and the law cannot with justice deprive any one of this natural right, unless it afford him at least an equivalent in its place. The state has no claim to the allegiance of those citizens upon whom it confers no advantages. An individual to whom the law extends no protection in the extremity of distress is absolved from all duty of obedience to the law. It is the very first duty of a government to secure the means of subsistence to every well-disposed and well-conducted member of the community over whose welfare it presides.

But putting humanity and justice out of sight, mere worldly policy renders a poor-law one of the wisest and most necessary of institutions. There *can* be no real or permanent security for property where the body of the people have no security for life. There can be no tranquillity in a state while large numbers are exposed unrelieved to the agonies of want. There can be no respect for the laws among those who feel no benefit from the laws. There can be no extensive accumulation or profitable investment of capital—there can be no large development of industry, wealth, or civilization, in a country where the poor have no

direct stake in the maintenance of order,—where they are constantly in a precarious, often in a destitute, and therefore desperate condition. The principle of the poor-law, then, is not mere charity, not justice only—but plain practical policy likewise—the policy of preventing crimes against property, and the terror, annoyance, and injury to the peace and order of the community which mendicancy and vagrancy necessarily occasion wherever there is no public provision for the poor.

The means brought into action by the poor-law for the purpose of effecting its object, have been as much mistaken and misdescribed as its principle. Those means are not, as is often stated, the support of the idle, improvident, and vicious, at the expense of the industrious, frugal, and virtuous: (this, on the contrary, is a true description of the system of mendicancy which the poor-law is intended to supersede). They are, simply, 1. the necessary and methodical relief of the sick, maimed and impotent, whom casualty, and the want of relatives capable of maintaining them, (for where there are such relatives, the law throws on *them* the burden of relief,) have reduced to a state of destitution. 2. The employment in productive industry of those able-bodied poor persons, who, being unable to find work for themselves, through extraordinary circumstances, would otherwise be driven by want to prey upon society.

Still greater, if possible, is the prevailing misapprehension and misrepresentation of the results produced by the English poor-law. Those results may be tested by a comparison of the condition of this country, where a poor-law has been in com-

plete operation for upwards of two centuries—as respects wealth, tranquillity, the orderly disposition, moral habits, physical comforts, and general happiness of its labouring class,—with that of other countries in which no such system has been in operation.

Those who declaim against a poor-law as necessarily demoralizing the lower classes, destroying all their industry, energy, enterprise, providence, and independence, and annihilating their kindly sympathies, are bound to explain how it has happened, that, after living for two entire centuries under the influence of this demoralizing law, the English people still show themselves, *to say the least*, as moral, as industrious, as energetic and enterprising, as provident, as independent in spirit, and as kind and compassionate in feeling, as any people on the face of the globe. Those who inveigh against a poor-law as unfavourable to the growth of capital should inform us how it is that, during this same period, under its obnoxious poor-law, England has accumulated the extraordinary mass of capital which covers her surface with the multiplied means of production and enjoyment, and which so peculiarly distinguishes her from every other country of the earth.

If it were possible to be astonished at the successful promulgation of any doctrine, however repugnant to common sense, to humanity, to observation, and to reasoning, we should acknowledge unfeigned astonishment at the opposition which has for years past been urged, and is still as zealously maintained as ever, against the principle of the English poor-law. We can only refer

this extraordinary opposition to that passion for the paradoxical and extravagant, by which many reasoners are led to give credit to a proposition because it is incredible, and to assent the more readily to the truth of a matter, the more impossible it appears. The arguments by which it is supported prove that it has its origin in two main fallacies, which, gross as they are, and easily detected, yet, partly from their superficial and plausible character, and partly, I fear, from the countenance they hold out to the selfish feelings of our nature, have acquired such an influence over many minds as utterly to incapacitate them from taking any clear or comprehensive view of the question.

The first of these fallacies is that imaginary chimera which passes under the name of its principal patron Mr. Malthus,—the doctrine, namely, that there is no room in the world for any additional number of human beings; that poverty and want are owing to no other cause than the increase of population beyond the *possible* means of obtaining subsistence; and that the only mode, therefore, by which these evils can be effectually relieved, is by a reduction of the numbers of the people, or, at least, by putting a check upon the rate of their increase. It follows of course, from these premises, that not only all legal and compulsory relief, but all voluntary and private charity to the poor is useless,—nay, rather, injurious—since the evil proceeding solely from a limitation of the means of subsistence, what is given to one beggar, must be taken from some other, or from some more deserving industrious character, elsewhere, and the mass of misery

rather increased than diminished. This, in fact, is a conclusion at which Mr. Malthus himself has necessarily and directly arrived, though some of his followers, with obvious inconsistency, while they deprecate a public provision for the poor on the ground of the insufficiency of the means of subsistence, encourage their support by private charity, which must evidently draw its resources from the same inadequate fund.* We have sufficiently exposed, in the last chapter, the utter baselessness of this fallacy; we have shown that nothing but the mismanagement of the resources of a people by the governing body, can prevent their means of procuring subsistence from increasing in a faster ratio than their numbers. And the direct inference from this is, that so long as misery and privation are the result of such mismanagement, its authors are bound to provide for its relief.

The second fallacy on which the opponents of a poor-law ground their argument, is the confounding of the use with the abuse of the system. Superficial observers, who contemplate the operation of the poor-laws as at present administered through the greater part of England, are naturally struck by the glaring evils which they engender; and, looking no further into the matter, are strongly impressed with a prejudice against such

* The benevolent Dr. Chalmers has, more perhaps than any other disciple of Mr. Malthus, fallen into this palpable inconsistency. His whole system rests upon the assertion that the means of subsistence are necessarily within the demand for them; and yet he dwells with fond and eloquent enthusiasm on the virtue and benefits of *private charity*, which obviously under such circumstances can only take from the necessities of one, to relieve those of another.

a law, as encouraging improvidence, and destroying all desire of independence among the poor. Those, however, who are not content to take up hasty impressions from first appearances, and who examine the history of the English poor-law, and the origin and real nature of its injurious practices, soon discover that these have been engrafted upon it but a few years since; that, instead of being a necessary accompaniment of the law, *they are a direct breach both of its spirit and letter*; that, for *two entire centuries*, the law worked admirably, unproductive of any of the evils now so universally and so justly complained of; and that it would have continued to work on equally well, had it not been shamefully perverted by those who are entrusted with its local administration, free from the control of any higher authority, into an instrument for lowering wages, and depressing the condition of the labouring class—for raising rents and benefiting landlords and employers, at the expense of the labouring class itself.

Instituted at the beginning of the seventeenth century, by the wisdom of the greatest statesmen this country ever produced, the English poor-law undeniably fulfilled, up to the close of the eighteenth century, the great objects it was intended to secure, and without any counterbalancing evils. The evils now so generally and justly complained against were unheard of until within the last few years. Their appearance has been coincident in time with a fundamental change in the administration of the law,—the introduction of a practice contrary to the letter and spirit of the law,—the practice (called the allowance sys-

tem) of taking upon the poor-book labourers working for private employers, and giving them relief proportioned to their families. This practice is, indeed, aptly fitted to produce all the evils which are wrongly attributed to the law itself. It tends directly to discourage industry and put a penalty on providence, to force the spread of pauperism, to augment the rates, and to give a premium to the increase of an already redundant population. Under these circumstances, ignorance or prejudice alone can persist in referring to the original poor-law, evils which history and observation clearly prove to have been occasioned only by its recent and most unwarranted abuse.

This abuse it would be easy for the legislature to correct, and thereby to put an end to the great and general mischief which flows from it. Individual magistrates and vestry-men have been hitherto left without check or control in the exercise of their authority, to interpret the poor-law at their discretion, and to expend the vast sum which they levy in its name from the industry of the country, in almost any manner and upon any objects they please. Had such unlimited power not been abused, it would have been, indeed, surprising.

The magistracy, in the rural districts especially, is composed almost wholly of landed proprietors, who have a direct interest in keeping down the wages of agricultural labour; since in proportion as wages are low, *cæteris paribus*, will rents be high. The same motives, therefore, which induced the landowners of old to frame statutes regulating wages and otherwise interfering with the free disposal of labour, has in a later period dictated the

allowance system, and other contrivances of the present administrators of the poor-laws for keeping the labouring class in a condition approximating to compulsory servitude. Under a system of free labour, every average labourer, whether single or married, receives the full current rate of wages; which can never fall much below a sufficiency for the support of a considerable family, or the supply of labour could not be kept up. But by forcibly metamorphosing the whole labouring population into paupers, as is now done in many parishes, by the refusal of work to all that are not on the parish books, each individual labourer is paid according to his strict necessities only. The man with a large family alone receives the necessary maintenance for such a family; the married man without children receives just enough for the maintenance of two persons; and the single man is paid for his labour, only a bare sufficiency for his own subsistence. By this contrivance of paying wages out of poor-rate, (commonly called the allowance system,) it is obvious that the whole labouring population is kept up to its full numbers, and maintained *at the lowest possible expense to those who employ and profit by its industry*. And as rent consists of the surplus beyond the expenses of cultivation, the gain resulting from this injurious practice falls to the share of the landowners, who are themselves for the most part the parties who originated and still enforce the abuse.

It was a resolution passed by the landowners of some of the southern counties assembled at quarter-sessions, towards the beginning of the present

century, which first introduced and sanctioned this abominable practice; the direct and avowed object of these gentlemen being to relieve their tenants from the necessity of raising the wages of their labourers in proportion to the great rise that had at that time taken place in the prices of agricultural produce. It is evident that whatever was by this contrivance cut off from the aggregate remuneration of agricultural labour went to swell the rents of the proprietors. What the labouring class lost, the landed interest pocketed. This conduct of the magistracy is the more indefensible, because the practice they have thus introduced, and indeed enforced, is wholly unauthorized by the letter, and directly opposed to the spirit, of the law they are sworn to execute. The statute of Elizabeth requires parishes to "set to work such as exercise no ordinary or daily trade whereby they can maintain themselves;" but nothing in it can be construed to countenance or permit the application of parish funds to the support of those persons who are labouring daily for the benefit of private employers, and ought to be supported unquestionably by those employers alone. By this execrable system, not only is the aggregate expense of maintaining the labouring population materially lowered, to the grievous injury of that class; but a large portion of this unfairly diminished expense is, moreover, fraudulently thrown upon the owners of property contributing to the poor-rate, who do not employ, and therefore do not benefit by the labour they have to pay for. The clergyman, householders, and tradesmen of

many parishes are equal sufferers from this abuse with the labouring population itself.

The "labour-rate" lately introduced into our legislation is a contrivance for perpetuating and extending all the injustice of this system, and all its most mischievous consequences. It may in fact be characterized as a direct attempt to restore the serfship of the feudal ages. It goes to tie down the settled labourers of every parish in a state of compulsory servitude to the owners and occupiers of the soil, and strikes at the root of that freedom of contract between employers and the employed, which all history as well as reason proves to be the indispensable condition for the full development of industry.

The evils resulting from the mal-administration of the poor-law might without much difficulty be corrected by the organization of a due system of supervision from some central authority, a branch of the general government, and authorized to enforce a complete uniformity of practice. This, together with a legislative prohibition, under penalties, of the 'allowance system,' would soon restore the poor-fund to its proper uses, put an end to its misappropriation, check the wasteful and corrupt extravagance of those who now administer it, and place the labouring class once more in a condition to profit by the exercise of their spontaneous industry and foresight. The obstacles to a complete and speedy purification of the English poor-law exist only in the *interested* opposition of those who have contrived, and continue to cling to the existing abuses, and the *prejudiced* opposition of

such theorists as blindly confound the abuse of the law with its principle, and, under the influence of that extraordinary delusion which Mr. Malthus has propagated, would sweep away the entire system of poor-law as an evil not to be tolerated in any form.

That some parts of the statutory poor-law are capable of improvement, we are far from denying. The law of settlement, indeed, requires a complete revision. The extremely unequal pressure of the poor-rate is another grievance of great magnitude. There are parishes in which it has completely absorbed the whole net produce of the land, whilst in others it amounts to a very insignificant proportion of the rental. It presses with peculiar severity upon property in land, and tends materially to impede the extension of cultivation, and the application of capital to the growth of raw produce. The amount of poor-rate borne by property engaged in manufactures especially, is very disproportionate to that which is paid by property of equal value embarked in the cultivation of land.

It has been proposed to equalize this pressure by substituting for the parochial poor-rate a general national tax. But this is open to many objections. It would alter to a very great extent the value of all estates in the kingdom which have been bought and sold on terms calculated upon the existing parochial burdens. A still more fatal objection occurs in the enormous abuses that would unquestionably arise in the discretionary distribution of a sum of seven or eight millions of *public* money by any authorities that could be appointed.

for the purpose. If the present mode of distribution is full of abuse, when the distributors are for the most part the very persons who contribute most largely to the fund, and feel very sensibly every increase of its amount, what must we not expect from a system which would allow every overseer to dip his hand into the public purse? Under such a system, it is little doubtful that the expenditure would materially increase, and the evils of pauperism be aggravated.

It appears to the writer of this work, (and he has long since recorded his opinion, and his reasons for it in detail,) that it is highly desirable, and might be contrived without difficulty, to substitute by degrees for the present mode of raising the poor-rate, a general compulsory contribution by the employers of labour to a fund for assuring their labourers against destitution; a measure which would throw the expense of maintaining the aged, impotent, and destitute poor precisely upon those persons who have profited by their labour, or that of their natural protectors, while capable of work. An outline of this plan is given below.*

* 1. Let every person who hires the services of another, whether as a servant, workman, or labourer, and whether the employment be given by the day, week, month, or year, be required to pay a proportionate contribution to the Assurance Fund of the district in which he resides, to be lodged there in the name of the servant, &c.; proper precautions, such as will readily suggest themselves, being taken to identify the individual, and prevent imposition.

2. Let the contribution be of such amount as, according to the tables of the best Friendly Societies, will suffice to assure to the servant, &c., supposing the payment to begin upon his attaining the age of 20 years, if a male, say,

The *cost* of the labour employed in any country must always be considered as including the neces-

6s. weekly pay in what is called in the tables of Friendly Societies, bed-lying sickness,

3s. weekly, in walking sickness,

3s. weekly annuity, after 60 years of age,

£10 on death, to be commuted for a proportionate pension to the widow and children, if any.

The contribution for female servants, and young persons of both sexes under 20 years of age, to be such as will assure one-half these advantages to them, previous to their attaining the full age of 20.

The above rate of pay is taken as affording a bare sufficiency for the maintenance of the individuals, and therefore corresponding to the parish allowance which it is intended to supersede. The contribution, according to Mr. Becher's tables, necessary to assure this scale of payments, will be about four-pence per week for male servants, two-pence for females, and about three-half-pence each for young persons between 10 and 20 years of age. But it may be said, that labourers occasionally waste some days unemployed, either from want of work, or idleness; and during these the contribution will not be coming in. In order, therefore, to cover completely this deficiency, and any other that can be supposed to occur, let us make the contribution half as large again, viz. 6d. per week, or one penny per day, for male servants, one halfpenny for females, and young persons. If in the working of the scheme this is found to be more than sufficient to secure the amount of relief I have taken as a scale, it will be easy to increase the relief, or diminish the contribution, as may be thought best.

A fixed rate of payment per head is considered as infinitely better than a per centage on wages, the object being to provide a bare maintenance similar to that now obtained from the poor-rate. By this, likewise, far greater simplicity and facility in the accounts is afforded, with less risk of fraud; and all necessity is removed of an inquisition into the nature of the contracts between employers and labourers, which would lead to interminable embarrassments, and give occasion to much subterfuge.

sary support of that part of the labouring population which, from age, infirmity, or accident, are

3. The servant, &c. removing to another district, may have his assurance follow him to that in which he goes to reside; satisfactory vouchers being transmitted of his being the person so provided for. A certificate, for instance, would be given him, containing the amount lodged in his name, with a description of his person, age, &c., similar to the '*signalement*' of the passport system. In equivocal cases, direct correspondence between the districts would settle the question of identity; and, indeed, there would be little temptation to commit frauds, since it is only in case of sickness, or old age, that payments could be claimed, and then to no greater extent than the individual may, in the absence of a certificate, claim from the parish as casual poor.

4. Since the fixed amount of contribution here stated will not cover the cost of assuring the necessary relief to those servants, &c. who are more than 20 years of age at the institution of this plan, the contribution paid into the district fund by the employers of all such servants, &c. should not be invested in an assurance, but allowed to accumulate in their names, in the manner of an ordinary deposit in a savings bank. On the occurrence of sickness, casualty, or old age, the usual allowance of 6s., 3s., and 3s., would be made to such servant, &c. until the deposit lodged in his name were exhausted; after which the servant would be passed to his parish, as at present, and supported out of the ordinary poor-rate. Whatever sums remain unclaimed in the names of such persons at their decease, should be reinvested in those of their widows or children, if any. If none, they should be placed to the credit of the poor-rate of the parish from which the contribution proceeded.

By this means the number of persons who would continue to possess a claim on their parishes for relief, as well as the amount of their individual cost on the occurrence of age or casualty, would continually and rapidly decrease, and be finally extinguished after the lapse of a generation. It might be advantageously required that every householder in the kingdom should likewise be made to contribute to the same fund a similar tax for every member of his household—not working as the servant or labourer of another

unable to support themselves. Equity, therefore, would require that those who, for the sake of profit, hire a certain portion of the stock of labour in the country, should pay for it an equal proportion of the whole cost of maintaining that stock to the country at large. Certainly it is unjust that a capitalist, a manufacturer for example, who requires the services of any number of labourers, should be permitted to hire them for the bare cost of their maintenance while in health and the prime of life,—and, after reaping a profit from their exertions, shift upon the public at large the burden of maintaining them, so soon as accident, sickness, or the exhaustion of their strength, in the course of nature, after a life of toil, deprive them of their value as instruments of gain. Now the plan proposed accomplishes the desirable object of throwing the burden of supporting the aged and infirm part of the labouring population, on the employers of labour, exactly in proportion to the amount of labour they purchase from the able-bodied.

This would seem to be an improvement on the poor-laws completely in harmony with their spirit and intention; such, indeed, as we may venture to suppose would have been adopted by the profound and sagacious statesmen to whom we owe that institution, had the necessary machinery existed in their days, which we have now at our disposal, for accurately distributing the burden upon this prin-

party. Even the wealthiest are sometimes reduced to pauperism, and it is only just that they likewise should contribute their quota to the maintenance of the fund to which they may, at some time or other, be indebted for sustenance.

ciple, in saving banks, annuity tables, and correct calculations on the value of lives, and of assurance against the contingencies of disease and accident. For the fundamental principle of the English poor-law clearly is, and it has always been so considered by the highest judicial authorities, that those parties who have had the benefit of the labourer's strength and skill, should be at the expense of his maintenance and that of his family, when rendered incapable of labour by illness, age, or accident. The throwing the relief of their own poor on such small territorial divisions as parishes, which at that time were rarely subdivided into separate estates, affords a strong presumption that the object in view was to place the burden as nearly as possible on the particular individuals who had received the benefit, or at least on the property upon which it had been bestowed. And the plan answered this end with tolerable exactness whilst *land* was almost the sole property in the country, its cultivation the sole employment, and husbandmen the only labourers. But since the vast advances made by our manufacturing industry, which has at length assumed such colossal importance as to rival agriculture in the magnitude of its capital, and the numbers to whom it gives employment;—since also the management and occupation of land is widely different from what it was in the reign of Elizabeth;—a corresponding alteration has been long required in the machinery of the poor-law, to adapt it to these altered circumstances, and preserve its principle and spirit entire. At present, for example, a manufactory may be started in an agricultural district; and, after a continuance

of some years, on the occurrence of any of those capricious fluctuations to which that branch of industry is peculiarly liable, the business may be closed, and the crowded population which the demand for their labour has created or introduced, thrown entirely for support upon the cultivators of land in the parish. The manufacturer, who has probably realized large profits from the employment of these families, by merely quitting the spot, or closing his factory, escapes all share in the charge of their maintenance, which he alone, notwithstanding, has, for his own private interests, brought upon the common property of the neighbourhood. Such a state of things is as contrary to the evident intention of the poor-law, as it is to reason and equity; and in as far as it can be corrected by a better distribution of the burden of maintaining the poor, few will dispute the expediency of doing so without loss of time.

It is maintained, therefore, that the measure we propose would be no anomalous innovation or violent change in the poor-law, but strictly such improvement as, in the progress of time, it ought to have already received from the increased lights and resources of the present age, in order to preserve its original character under the altered circumstances of society.

To the poor themselves it would be no injury, but the contrary. It would relieve them from the humiliation and debasement that attaches to the present mode of relief. They would feel that in applying, in sickness or old age, to the appropriate fund, they were only claiming a portion of their fair earnings which had been withheld from them

for their own benefit,—or rather that they were receiving, at the time they most needed it, *an addition* to the wages they formerly earned, reserved, with all its accumulated interest, for this special purpose, by the paternal foresight and benevolence of the state. This would be making the poor-law intelligible to them, and putting it on that footing which must lead them to respect and feel grateful to its authors and dispensers. At present the only feeling they have on the subject is a vague agrarian notion of property having been once in common, and of the *modicum* to which the law gives them a *right* being intended as a poor and meagre apology for depriving them of the remainder.

Indeed one great advantage which we should expect from the adoption of this plan is that it will assimilate the poor-rate to a general benefit society. It will methodise and guarantee providence. It will compel the thoughtless and extravagant to contribute while they are able to that fund upon which they fall back for maintenance whenever their means of self-support are exhausted. In manufacturing districts, it is well known, that however high wages may be, they are spent as soon as got, generally in riot and dissipation. And the consequence is, that upon the first reverse, through any of the casualties to which manufacturing industry is exposed, the labouring population are reduced to the extremity of want, and become a grievous burden upon the parish rates. Our plan would appropriate a small proportion (and a very small proportion indeed will be amply sufficient) of the wages paid for labour

in times when it is in request, to form a fund for the support of the labourers and their families in periods when the demand for labour will not absorb the supply, as well as in sickness and decrepitude.

Will it be objected that the benefits which are acknowledged to result from every *voluntary* system of mutual assurance, whether against fire, casualty, old age, or want of employment, disappear when the contribution is made *compulsory*? We cannot see why this should be so. What is all government, with its machinery of taxation, for legislative and executive purposes, but a great system of compulsory mutual assurance against the evils of internal disorder and external violence? If individuals may justly be taxed by the state to maintain a fund for securing them from robbery and violence, may not a tax with equal justice be levied for the object of securing them from want and starvation? The tax, indeed, is imposed now, but frequently on the wrong parties, and always in a form which gives it a false character. Our object is to shift it upon the right shoulders, and make it appear that which it is, or ought to be, a mutual assurance of the members of society against destitution.

Other objections to such a scheme may probably be urged by those who now employ labour without paying their fair share of the cost of keeping up its supply. The manufacturer will perhaps declare that a tax on wages would so increase the cost of his article as to prevent his successful competition with foreign rivals in the markets of this or other countries. But in the first place it may be answered, that the tax will not in reality

fall upon the employer, except when wages are so low as to bear no reduction, but will at all other times be borne, as in justice it should be borne, by the labourer himself. And, secondly, when wages are so low that they cannot be reduced by the amount of the tax levied on employers, it is evident that the cost of supporting the infirm and aged portion of the labouring class engaged in manufactures must, even at present, be borne by some party. If by the manufacturers themselves, they can lose nothing by being required to make the same payment under a new name;—if not by them, then it is clear that they are now shifting most unjustly upon some other parties this portion of the cost of the stock of labour they consume; and that they cannot complain of being made to take it upon themselves. In truth, manufactured commodities which are worked up under the present system at an expense in labour below the aggregate cost of maintaining the labouring population, (the deficiency being made good from a tax on land and houses,) are exported and sold to foreigners at a price *below their real cost to this country*, and therefore at a continual loss to the British community at large, though the merchants and manufacturers may realize a profit on the business. Such a trade is in the situation of one maintained only by a bounty, and the sooner it is stopped the better for the nation.

There exists a precedent for a tax on wages in the sixpence per month levied on the employers of merchant seamen. But the extraordinary circumstance of this impost is, that instead of going to maintain a fund for the relief of these same

seamen in casualty and old age, it is appropriated to the exclusive support of the decrepit seamen of the *navy* alone in Greenwich Hospital. This injustice has excited much attention of late; and there is some prospect, we believe, of the fund being applied to its legitimate purposes. It will then form an excellent model for imitation with respect to all modes of employing labour, whether by sea or land.

But no improvement in the administration or letter of the English poor-law can be effectual towards either diminishing the burden of the rate, or ameliorating the condition of the poor, until the same system of compulsory relief has been extended to *Ireland*; and the fundamental institutions of the British islands in this respect completely assimilated. The existing anomaly is most injurious to both.

In truth, as has been already observed, since the Irish Channel has been bridged over by steam-boats, the two islands are virtually united, and the absence of a poor-law in the one affects the condition of the whole labouring class in the other, disturbs the natural relation of its demand and supply of labour, and utterly perverts and poisons the action of the English poor-law. The labourers of the three kingdoms now compete in one common market; and those on whom the law throws the maintenance of the surplus in one portion of the empire, practically have to support the surplus of the whole. The British labourers are driven out of the employment which would otherwise be open to them by the immigrating herds of

starving Irish, and forced back upon their parishes to be maintained there at the expense of British landowners in unproductive idleness! Our agriculturists are scarcely yet awake to the extraordinary injury they suffer through this most unjust inequality in the conditions of landownership in the two islands. Nothing, however, can well be clearer than that they are virtually supporting the Irish poor—that a very large portion of the £6,000,000 per annum which is now deducted out of the net value of their estates by the poor-rate, is indirectly transferred to the pockets of the Irish landowner, through his exemption from the charge of supporting his portion of the poor of the empire.

The continually increasing demand for labour in our large towns forms the natural vent for the surplus population of our rural parishes. But this vent is kept constantly choked by the hordes of starving Irish whom the absolute destitution which awaits them in their native country urges over here, prepared to undertake the hardest work for far less wages than our parishes are *by law* compelled to give their settled poor for doing nothing.

Let our landowners abstract in imagination from the labouring population of Great Britain the thousands of Irish who have been thus forced to leave their native soil and settle in this country, —and say whether in their absence there would be any redundancy in a *single parish*. Had the hundred thousand Irishmen, for example, who are said to be settled in the metropolis, remained at home, (and if the law of Ireland had been assimilated to that of England, and subsistence and

employment secured to them there, few, if any, would have come over,) *could* there have been at present any redundancy of labourers in the rural parishes of Kent, Sussex, Surrey, and the other metropolitan counties? It is quite clear that whatever is paid from the rent of land in England for the support of a supposed redundancy of labour, is chiefly paid in consequence of the absence of a provision for the poor in Ireland;—that the Irish landlords, in fact, virtually quarter *their poor* upon our rates to the extent of some two millions per annum. To that amount, at least, English property now pays an Irish poor-rate!

But even this is by no means the whole injury that is inflicted on the agricultural interest of England by its exclusive taxation to the support of the surplus population of the empire. While our farmers are thus indirectly maintaining the Irish poor as well as their own, they are met in every one of their own markets and *undersold* by Irish producers of corn, meat, bacon, butter, &c., raised off land which is exempt from poor-rate, and at a rate of wages which the absence of any legal protection to the poor keeps down to one-third of what the poor-law maintains in England*. Thus the British agriculturist suffers under a double disadvantage. The Irish landlord has his estate cultivated free of poor-rate, and at a *dry potato* rate of wages, and yet commands the markets of England, whose home-grown produce before it is

* The average wages of labour in Ireland seem to be about sixpence a-day. In England the average rate of wages for agricultural labour cannot be less than one and sixpence, but is probably nearer two shillings per day.

brought to market must pay a heavy poor-rate (swollen, as has been shown, by the immigration of the Irish poor), and a rate of wages which the *law* justly and properly keeps from sinking below a sufficiency to support the labourer on a wheaten diet! How long will the landowners of Britain tolerate this frightful injustice? Their tenants are fully alive to the injury they endure from the unfair competition in their own markets of Irish produce raised on such unequal terms. The agricultural labourers of England are equally aware of the hardship inflicted upon them by the competition of Irish to whom the law denies any resource in their native country. The struggles of which we frequently hear between bodies of English and Irish labourers in this country arise from this feeling. Will our legislators wait till these classes are forced to take into their own hands the redress of this crying grievance, and by their own efforts attain a wild but effectual justice; or will they wait till the rental of England is *wholly* absorbed by the poor-rate, the English labour market completely glutted by Irish labourers, and the English provision market with Irish produce? The time is fast approaching when this happy consummation will have arrived.

But if it be absolutely necessary for the welfare of England that its poor-law should be extended to Ireland, the measure is certainly no less indispensable for the sake of Ireland itself. In the present circumstances of society, a poor-law is required in every country where want is found to exist, on the plainest principles of justice, humanity, and general policy. Justice demands it, because

the prevailing want may be shown to proceed from the imperfection of the existing institutions, which ought, therefore, to provide some relief to the evils they themselves cause;—because it is essentially unjust to punish attacks upon property if you offer no alternative for the preservation of life. Humanity requires it, because while the wealthy are rioting in luxurious indulgences, the poor ought not to be permitted to starve;—because the relief of the necessities of the indigent cannot safely be trusted to the voluntary charity of the rich; because the selfish and hard-hearted ought to be made to contribute from their superfluity as well as the benevolent; because private charity will often overlook the really deserving, to lavish its assistance on the clamorous impostor. System and organization are as essential to the attainment of the object aimed at, in the distribution of relief, as in the collection of the fund to be distributed.

Finally, a poor-law is expedient on the ground of policy, because it is utterly impossible without such an institution to put down vagrancy and mendicancy, two of the greatest nuisances from which society can suffer—to prevent great waste of the powers of labour—to secure property from continual depredation—to preserve any chance of peace and tranquillity in a country where the great body of the people are placed in a most precarious condition, and liable to be suddenly deprived, in considerable numbers, of their sole means of livelihood. To refuse temporary relief and employment to persons so circumstanced, is to render riot and outrage almost inevitable; and if sufficient force be not provided to repress such dis-

turbances, must at least spread over the land a body of vagrants, driven by necessity to beg or plunder a maintenance.

Let those who are prejudiced against a poor-law compare the social condition of England under the operation of such a law with that of Ireland without any such institution—compare the comfort of the labouring class, the security of property, the respect for the laws, the general tranquillity, the development of industry, and the accumulation of wealth in the one, with the extreme destitution, idleness, and lawlessness of the same class, the continual turbulence, the insecurity of property and even of life, the stagnation of industry, the waste of productive capacity, and the absence of accumulated capital in the other.

We repeat, there can be no security for property where the body of the people have no security for life. In a country where, as in Ireland, hundreds of families are at times thrust out from their little farms (their only means of subsistence) into absolute destitution, at the mandate of a careless, hard-hearted, or absentee landlord,—where millions more know that they are hourly exposed to the same fate—can we expect that acts of outrage and vengeance will not take place, and combinations of the people to resist the law under whose sanction such oppression is perpetrated upon them? Who will say that the peasantry *ought not* to combine for such an object? Allegiance is only due where protection is afforded. What are all institutions but combinations of the many to resist the oppressions of the few? We shudder at the cruelty of the Whitefeet; but if we listen to them,

they will justify their deeds by that which is acknowledged to justify the cruelties of war—self-defence—the first natural law—that of self-preservation. They *have*, in truth, this plea to urge. So long as the law drives the peasantry of Ireland to desperation by denying them a right to the continuance even of existence, so long will the law be more justly blamed for the excesses into which wretches in this situation are urged by despair and ignorance, than the unfortunates themselves—‘more sinned against than sinning.’

The disturbances which have long desolated Ireland, and prevented the expansion of its vast natural resources, are clearly proved, by the late investigations of Parliamentary Committees, to have been the struggles of a starving people for the occupation of land, as the only means of subsistence. Whiteboys, Terry-alts, Black-feet, Lady Clares, and all the other many-titled combinations that have for years past succeeded each other in the disturbed provinces, have been simply associations of the peasantry for the purpose of enabling themselves to live by their labour off the land of their native country—to conquer that *right* which the law of Ireland denies, and has always denied, to them. They accomplish this end rudely and imperfectly, it is true. Their means are savage and detestable, and the punishment they inflict seldom alights on the real culprits. But is it not necessarily so when the lowest class of any country is driven by oppression to redress its own grievances, and take the law into its own hands? It is to be deplored that there is, and has always been, a general organization of the people against

the law ; but can anything else be expected from them when the law is, and is felt by the mass of the people to be, *against them*—a tyranny which men must combine against in the very instinct of self-preservation ? Nor will these disturbances be ever quelled until justice be done to the oppressed peasantry of Ireland—until the power of the landlords over the soil of the country is limited, *as it is in England*, by a due regard to the security of the people born and reared upon it—until the RIGHT of the peasantry to be saved from starvation—to be assisted to a position in which by assiduous industry and prudence they may maintain themselves in existence, is conceded to them—until the law shall have provided for their relief in the extremity of destitution, and for their industrious and productive employment whilst they are able and willing to work.

Even if the internal resources of Ireland for the employment of her population were exhausted, it would still be evident that out of the large surplus of her produce now exported for the benefit of her landowners, a portion ought to be allotted for the temporary sustenance of her starving poor, and to defray the cost of their removal to other lands, where they will be able to maintain themselves in ease and plenty. But it is scarcely doubtful that Ireland possesses within herself the means of fully and profitably employing the whole of her labouring population. It is the absence of tranquillity, owing to the want of a legal protection for the destitute, which, by checking the economy and productive investment of capital, alone produces the apparent redundancy of labour.

Let the government raise a fund by taxation of the landlords of Ireland, for the employment of her surplus of labour in opening up systematically and scientifically the vast undeveloped resources of that country, and in a very short period it is probable that the redundancy will disappear; the spell which now freezes up the productive capacities of that island being broken, the process will thenceforward carry itself on; increasing tranquillity will encourage the growth of capital, and its migration from England; all the existing labour will then be spontaneously absorbed, and the poor-rate (so much dreaded by the Irish landlords) reduced to a very trifling burden,—far more than compensated to them by the improved value and greater security of their estates. In fact, it would be easy to show that the amount of assessment on Irish property necessary for the beneficial employment of the whole surplus of labour would scarcely, if at all, exceed the sum which is *now* annually levied from the same fund by sturdy beggars and idle vagrants, and *consumed unproductively*, with a mischievous instead of a beneficial result. If what is at present extorted by mendicancy and intimidation, and wasted in the support of filth, idleness, vice, and impudence, were both levied in a systematic manner by the machinery of a poor-law, and expended with judgment and economy in the employment of the poor, on roads, canals, drainages, embankments, and other general improvements of the surface of the country, property to an immense amount would in a few years have been created, and a stimulus given to the spontaneous creation of a far larger

amount; and this *at no sacrifice whatever*, but with the gratuitous production of vast collateral advantages, which must arise to the landowners, the government, and the body of the people, from the tranquillization and improvement of the country*.

It is doubtful, we say, whether there would be any real surplus of labour in Ireland, were her capacities allowed a full and fair developement. It is still more questionable whether there would be any real surplus in Great Britain, were the provision of certain relief and employment at home to check the continual immigration of destitute Irishmen into this island, by whom our native population are undersold in their own labour-market, driven out of all the lower classes of employment in the great towns and manufacturing districts, and compelled to throw themselves for support upon their parishes. But this, at least, is certain, that *if there be* a redundancy—*so long as there is* in any parish of the kingdom a *real and permanent* surplus of labourers, for whom no profitable employment spontaneously offers itself, it is madness to continue to support these persons in idleness, or to employ them on useless and unprofitable work *here*, while there exists a vast, insatiable, and continually increasing demand for labour in our colonies—in what is merely another part of the empire, separated from our home parishes only by a few weeks' voyage over the Atlantic, in a country peopled partly already by our own emigrants, enjoying the same climate, lan-

* See 'Plan of a Poor-law for Ireland,' with a review of the arguments for and against it.—*Ridgway*, 1833.

guage, religion, and laws as the mother country, supplied from thence with all the comforts and luxuries of civilization, and to which our own capitalists are continually migrating, impelled by the desire to increase *their* profits, and improve *their* circumstances, and checked only by the difficulty and great cost of procuring labour. Under such circumstances, a general scheme for the encouragement, or rather the carrying on of Emigration, ought to be an essential part of the machinery of the poor-law. It is neither just nor politic to tax property in this country, to maintain in idleness within their parishes a number of hands who would be secure of full and well-paid employment in another part of his Majesty's dominions. If they choose to remove there, the means of doing so should be found them. If they do not, such refusal must prove that they are yet capable of maintaining themselves in this country, and do not need relief. It is neither just nor politic towards the persons taxed, or towards the poor men themselves, upon whom the tax is expended, at a great cost to maintain them barely alive and under a strict workhouse, not to call it prison, discipline in this country, when a small part of the same expenditure would remove them to a spot where their circumstances would be greatly improved. In the interests of both parties, it were best that emigration should be resorted to for the disposal of the surplus labour, wherever any exists. Nor do we see any valid objection to its being made optional to parishes to offer this species of relief to those who apply, on the plea of being unable to find work in this country. The expense to the parish, as well

as the loss sustained by parting with labourers really wanted, would effectually prevent this power from being abused to the extremity of injuriously depopulating any district, by overseers or vestries. The able-bodied pauper, on his side, could have no right to complain of the refusal of other relief, when he is offered a free passage for himself and his family, to another part of the empire, where industry and prudence are sure to obtain, not merely a living, but positively an independence in no long time. As to the outcry which would be raised by some ultra-sentimentalists against such a proposition, as a violent rending of ties, a sentence of banishment, a deportation, and so forth, it is enough to point out to the attention of these persons the thousands of the wealthier classes who are every year voluntarily expatriating themselves, for the same all-sufficient motive,—the desire of improving their circumstances. It can surely be no hardship on a starving pauper to require him to take that step for securing to himself a competent maintenance, which his betters are taking continually for the mere augmentation of their income.

It is more than probable, that an extensive scheme of emigration, carried on by government, for removing the surplus population of this country to the colonies as fast as such a surplus appeared in any quarter, might easily be made to pay its own expenses; either through a slight tax levied on the immigrating labourers themselves for a term of years, and readily paid by them out of the high wages they receive there;—or by the proceeds of the sales of government lands, or from

other sources of colonial taxation. But even if this were found impracticable, it will always remain by far the cheapest mode of disposing of such supernumerary labourers, to undertake the expense of removing them at once, rather than to maintain them here in idleness, or useless employment, acquiring habits of vice, crime, and improvidence, from their exposure to the demoralizing influence of pauperism.

It is to be hoped that the government of this country will, before long, be induced to adopt some general and comprehensive scheme of this kind. Its attention has for some time been laudably turned to the subject, but it may be regretted that a rigid and, we think, short-sighted parsimony has hitherto prevented any efforts in this direction being made upon a scale at all commensurate with the importance and expediency of the measure. While twenty millions are unhesitatingly offered for the promised redemption from slavery of the West Indian negroes, it is pitiable to see the same government scruple to lay out as many thousands in promoting the liberation of the native poor of this island from a state of degradation and wretchedness, little, if at all, inferior to that of the slaves themselves.

It is the duty—we maintain, the very first duty—of a government (having the power, as we have proved that the government of this country has) to secure to every able-bodied and industriously disposed labourer the means of living by his industry. If these means are not to be obtained in this island, they are certain of being secured to him by his removal to those outlying but integral por-

tions of our territory, where labour is in great demand, subsistence plentiful, and the fruits of industry large and abundant. The government which enforces his maintenance in useless labour or idleness at home, instead of effecting his removal to where his labour would be so beneficial to the community as well as to himself—neglects its duty both to the individual and to the community. Were such a general scheme of colonization adopted as we have here shadowed out, the relief of this country from the burden of poor-rate would be great and immediate. *Industrious pauperism* would be no longer known, and poverty banished from the face of the country, or confined at least to the maimed, the infirm, and the decrepit, from whom the mutual assurance fund suggested above would remove the disgrace and demoralization of pauperism.

Emigration is a *certain* and *effectual* resource against any extension of pauperism and any redundancy of labour. We do not, however, mean that it is to be only employed as a *last* resource, when all others fail. On the contrary, we think a vent of this kind should always be kept open, and within reach of every labouring man in this—indeed, in every civilized country—of which he may easily avail himself whenever the means of gaining an industrious livelihood fail him in his native land. This would leave no palliation for crime, no necessity for the severe and brutalizing discipline of the workhouse, no excuse for that mischief-working, however well-meant, charity which encourages idleness, vice, and imposture.

But though we are of opinion that emigration

should be made available at all times and under all circumstances to the destitute—we think it exceedingly doubtful whether there is any one country in Europe whose internal resources for the employment and comfortable maintenance of its population would be found deficient, if it were not for the imposition and continuance of legislative shackles, which cramp the exertions of its inhabitants, and interfere with the natural, that is, the *free* direction of their industry, and the natural and equitable distribution of its produce.

Every civilized state offers examples of such artificial, needless, and injurious restraints. We must confine our attention to those which deform our own legislature, and of these we can only afford space to expose the most prominently mischievous. We shall class them for consideration into

1. Restraints on agriculture. 2. On commerce.
3. On manufactures. 4. Excessive and misdirected taxation. 5. Restraints on the just distribution of wealth.

CHAPTER XIII.

RESTRAINTS ON AGRICULTURE

Tithe System—Local Taxation—Restrictions on Inclosure.

OF the restraints imposed by the laws of this country on the free development of its agriculture, the most injurious, undoubtedly, is the Tithe System. A tax upon agriculturists, the amount of which increases with the productiveness of agriculture, must evidently operate as a constant check upon all attempts to increase that productiveness. The fallacy which so long blinded the defenders of this species of impost to its obnoxious character, lay in their assuming that the tax, being only one-tenth of the produce, would leave the remaining nine-tenths to the cultivator, and so afford an amply sufficient inducement to the utmost exertion of his industry. They altogether overlooked that the profit, or 'increase,'—that is, whatever *surplus* of the gross produce remains *after repaying the expenses of cultivation*,—is all that falls to the share of the cultivator; and that this itself in general barely amounts to a tenth of the gross produce. So that the tithe is a tax of *at least* 100 *per cent.* on the net returns of the process of cultivation. In case of the tillage of the poorer soils this tax would swallow up the entire profit; and must, therefore, act as a complete interdict on their

cultivation. There is a very large proportion of the land of this country, which would return a profit of from five to fifteen per cent. upon the capital that might be expended in its conversion from pasture or a state of waste to arable, or its improvement by manuring, &c. if already in tillage. But so long as the gross produce of such expenditure is liable to a tax of 10 per cent., it is evident that a complete bar is placed to all such employment of capital, however desirable in a national and economical point of view. The tithe-tax thus acts directly as a *penalty* on the cultivation and improvement of land, and the growth of *food*. A thousand pounds expended in the employment of labour and machinery in the manufacture of cloth, or gloves, or silks, pays no tithe. The same sum laid out in the employment of labour and machinery in the growth of corn, butter, meat, and the primary necessities of life, pays a tax of 10 per cent. on the gross return. And this most oppressive and most odious of all possible taxes has been levied nominally for the support of a religious establishment! Could any better means have been devised by the arch enemy of mankind for exciting hostility to the establishment, and bringing religion itself into discredit?

Within the last year or two public opinion has begun to express itself strongly on this ill-contrived system,—adopted in its origin, almost of necessity, from the penury of our forefathers,—but the maintenance of which, up to the present day, and in this enlightened country, is a disgrace to the age and nation. A general commutation of tithe into a fixed territorial impost has at length

been determined on by the Government, introduced by them to the legislature, and will be acceded to, we must hope, for its own sake, by the Church. A commutation for land offers by far the most advisable mode of investing this claim, though there are considerable practical difficulties in the way of such a change.

Unfortunately this measure has been delayed by the impolitic resistance of the Church, to a period when, from the feelings of animosity that have been kindled upon the subject, it can neither, perhaps, be delayed with safety, nor settled with justice to both parties, nor in that calm and temperate spirit of deliberation which is so greatly desirable where such large and important interests are at stake.

It is of considerable moment that the real incidence of tithes, that is to say, the party upon whom the tax really falls, should be thoroughly ascertained before any change is adopted in the present system. The general belief is, that the tithe is paid exclusively by the land-owner; that it is a simple deduction from rent, and would be added to rent if abolished. This opinion arises from the knowledge that lands, now *tithe-free*, let for a rent which exceeds the rent of titheable land of equal quality, by exactly the amount of the tithe that would be due from them. And if any single estate were exempted from tithe, no doubt the benefit would wholly go to the landlord, because any increased productiveness of that single estate consequent upon its exemption from the tax now levied on its gross produce, could in no perceptible degree influence the prices of the

produce markets. But if all the land now subject to tithe were at once exempted, or the tithe on all commuted, (which is the same thing as respects its influence over cultivation,) the increased application of capital and labour to this land which would follow its release from a tax on the gross produce, must so increase the stock of corn and other agricultural produce in the markets as to lower prices. The fall of prices would both lower the rent of lands now tithe-free, and prevent the rent of the land now tithed, from rising to the extent of the tithe at present raised from them. The landlords of both classes of estates, therefore, would suffer from a commutation. This, however, is what would occur only in case the whole of the agricultural produce consumed in the country were home-grown; in which case alone its prices are determined by the cost of production in this country, of which tithe is an element. But when, as has happened for some years past, a considerable proportion of the corn consumed is imported, the price is determined by the cost at which it can be imported; and in this case the additional produce which would be raised at home if the tithe were abolished or commuted, instead of lowering prices materially in our markets, would only come into use in place of an equal quantity now imported from abroad, and which an inconsiderable fall of the average price would probably keep out of the market. Under these circumstances, therefore, the tithe may be said to be *chiefly*, though certainly not altogether, paid at present by the landlord; and, consequently, would in that proportion go to him if remitted. Should any

alteration be made in the terms on which foreign corn is admitted, having the effect of lowering prices in this country, the loss would fall wholly upon the landlords, whom the present duty on imported corn, averaging as it has done, since 1828, 6s. 8d. per quarter, (or about 10 per cent. on the prices of this period,) just compensates in the aggregate for the payment of tithe. Whether they have a right to claim this compensation is another question, which we will not here attempt to determine.

These difficulties, however, should not prevent an immediate commutation of tithe—the most injurious and detestable of all possible taxes, since it operates as a penalty on the cultivation of the soil, and on the growth of food and the raw materials of industry, and inflicts an artificial sterility on a large portion of the surface of Britain.

The amount of Local Taxation, levied chiefly on land, in the shape of poor, county, highway, and church rates, acts as another hurtful restraint on the application of industry to agriculture, in as far as these imposts press with greater severity on that than on any other branch of industry.

It appears from a parliamentary document, that the total sum levied as poor-rate and county-rate in England and Wales, in the year ending 25th March, 1826, was 6,966,157*l.*, of which there was levied,

From Land alone . . .	4,795,482 <i>l.</i> , or $\frac{688}{1000}$	} Together 702 $\frac{702}{1000}$ of the whole.
From Manerial Profits (which may be considered as landed property).	96,882 <i>l.</i> , or $\frac{14}{1000}$	

From Dwelling-houses . 1,814,228*l.*, or $\frac{261}{1000}$ of the whole.

From Mills, Factories, &c. 249,565*l.*, or $\frac{37}{1000}$ ———

The highway and church rates being levied on the same assessment must be supposed to press in the same unequal proportions on these different classes of productive investments.

The Highway-rates of 1825-6 amounted to . 1,121,834*l.*

The Church-rates of the same year, to . . . 564,388*l.*

Which added to the Poor and County rates, as
above, viz., 6,966,157*l.*

Make a Total of Local Taxation of . . . 8,652,379*l.*

of which it appears that the agriculturists paid more than seven-tenths—the owners of dwelling-houses more than five-twentieths, the owners of mills and factories only *one twenty-seventh* part, while the proprietors of capital invested in stocks in trade, the funds, mortgages, annuities, and personal wealth of all description, paid actually nothing whatever. But these taxes are levied for purposes of general public advantage, for the preservation of internal tranquillity and the security of property, through the suppression of mendicancy, vagrancy, and the crimes which unrelieved misery would be sure to engender—for the maintenance of the buildings consecrated to the national worship—for the necessary expenses of the local judicatures, and judicial proceedings,—and for the reparation of roads which are used by all classes of the people. These objects being equally beneficial to all, there can be no good reason why the owners of all property, however invested, should not contribute in equal proportions towards their

attainment. The total exemption of all personal property from contribution offers a premium to the unproductive employment of capital; while the unequal pressure of these imposts on different productive investments must evidently act as a factitious discouragement to the employment of labour and capital in that branch of industry which is most heavily burdened. And the placing no less than seven-tenths of a tax of this magnitude, levied for general national purposes, upon *agriculture only*, is an extraordinary instance of impolicy, since (as we remarked in the case of tithes) it operates as a penalty on the production of the first necessities of life, for a people but scantily supplied with them.

If the plans were adopted which we suggested in the last chapter, for raising the necessary fund for the maintenance of the infirm poor, and such as are temporarily thrown out of employment, by a compulsory subscription from wages, and for exporting all the permanent surplus of labour to the colonies at their expense,—the amount of the poor-rate would be greatly reduced, and its pressure completely equalized upon all property, since it would then enter in equal proportions into the elementary cost of *all* commodities. For the church-rate, it is to be hoped, that, having relieved the Irish from this payment, Government will shortly see the expediency of placing the maintenance of ecclesiastical buildings upon the church establishment, in England likewise. The highway-rate is comparatively trifling, and its levy and application is at the present moment undergoing the revision of the legislature. The county-rate

might by some very simple corrections be imposed with greater fairness than at present upon the property for the protection of which it is chiefly raised.

The enormous expense of the act of parliament which is now required for enclosing waste land in which various parties are interested, is another serious obstacle in the way of the improvement of land in this country, and the increase of its productiveness. The cost of an enclosure act, and the accompanying expenses of survey and applotment, &c., rarely falls within a thousand pounds, and often exceeds five times that sum. It is obvious that the enclosure and effective tillage of many small tracts of waste land must be prevented by the necessity of incurring this heavy outlay for merely obtaining the permission of the legislature. A general enclosure act, containing some simple and cheap machinery for determining the propriety of such a step, and adjudicating the respective claims of the parties interested, would tend materially to encourage the application of capital and labour in this most beneficial direction. The fact, that upwards of 4000 private enclosure bills have been passed within the last half century, strongly demonstrates the expediency of a general act for the purpose of saving the necessity of this awkward and expensive local legislation. Can anything be more strongly condemnatory of the present system of legislation, or rather of the want of system which characterizes our legislation, than the fact of 4000 *acts of parliament* having been passed in so short

a period for permitting and regulating the improvement of as many separate tracts of land in this little island? The fact would be almost incredible to one who was a stranger to the temporizing and patch-work policy of our legislation—which possesses no contrivance for permitting a common to be enclosed, a highway diverted, a man and wife divorced, a name changed, or a foreigner naturalized, without the setting in motion of King, Lords, and Commons, and all the cumbrous machinery of a legislative enactment.

In a former chapter it was shewn that the improvement of waste land by the assiduous industry of individuals who were permitted to enclose small tracts, and to appropriate the entire produce of the improvements they effected, had been, in every age and every country of the earth, the primary, though simple, means by which the vast districts now cultivated for the use of man were rendered productive—the first and indispensable step to the creation of all the wealth and refinements of civilised existence. The very foundation of the right to property in land lies in the expediency of encouraging these invaluable efforts for the development of its productiveness. It is evident then that the legal claims of individuals, however acquired, to an exclusive property in tracts of waste land, ought not to be permitted to prevent the continuance of this salutary and important process—but should be made to give way before the prior and superior right of the community to make the most of the resources which Providence has placed at their disposal in the productive capacities of their native soil. A wise and prudent

government would remove every difficulty in the way of the improvement of land, and facilitate by every practicable means the enclosure and high cultivation of tracts of land by the enterprise, industry, and capital of individuals. That the same spirit which originally brought into cultivation our oldest and richest crofts still prevails among the peasantry of this country, is proved by the patches which we see cribbed in defiance of the law from the margins of every highway, and the sides of every common throughout the country, and the high state of productiveness to which these little gardens are brought, in spite of the general poorness of their soil, and the insecurity of their tenure. But instead of forbidding such encroachments, as they are called, the law ought, we consider, to sanction and encourage them. Instead of confining the industrious cottager to the scanty margin of the public road, or the obscure angle of the common, all that portion of our waste lands which is capable of cultivation ought to be placed at the disposal of those who are willing to cultivate and improve it, under such conditions only as will secure to the present legal owners a fair compensation proportioned to the value they derive from it in its actual state. Some general system of this kind, by the establishment of local commissioners, might be easily contrived;—and the result would, we think, be to draw forth a vast amount of industry which is now repressed for want of a vent, and greatly to increase the extent of land in cultivation.

For though it may be true, as we believe it is, that the system of cultivation by large farms and

hired labour, is the most productive, in the case of lands long placed under tillage—we think it quite certain that the reduction of waste land to tillage *ab initio* is best accomplished by the patient exertions and persevering industry of the cottier peasant, working on his own account on his own little patch of soil. He puts into his labour twice the exertion of even the free hired labourer of the capitalist-farmer, four times that of the constrained serf or slave. He will force a rich crop from a soil which would not repay the large farmer for the cost of tillage—much less afford him that profit on his outlay, the prospect of which alone will induce him to attempt its cultivation. The numberless experiments that have been made of granting small lots of land to poor men in this country—still more, perhaps, the success of the pauper colonies of the Netherlands, where a meagre and hungry sand has been by this process brought into the condition of a garden—prove to demonstration this important fact. It is pleasing to find the allotment system making its way into nearly every parish in the kingdom under the wise and humane influence of the landowner, who undoubtedly best consults his own interest by encouraging the spontaneous exertions of the peasantry to maintain themselves by their own industry, instead of depending on parochial relief. But the letting to poor labourers, as yearly tenants, of tracts of land already in cultivation by farmers, is not nearly so fertile a source of increased productiveness, as would be the permission to the same class to enclose, cultivate, and appropriate *in fee*, upon easy and fair terms,

tracts of land now in a state of waste. The exertions of the cultivator will be proportionate to the security he has of reaping their fruits. And to call forth his full energies, he must have, not a mere temporary tenure of his allotment—but such a permanent hold of it, as will give him a complete conviction of the undisputed enjoyment of all its improved produce, and inspire that strong interest in its improvement, which attaches universally to whatever we can call exclusively *our own*.

In Ireland, especially, might this system be adopted with the greatest prospect of advantage. There vast tracts of waste land are met with, producing next to nothing—while in their immediate contiguity are hordes of poor and wretched objects supported in idleness by the charity of their neighbours, who are themselves scarcely in better circumstances. The Irish cottier, who holds his acre only from year to year—or, as in the common case of the conacre, for a single crop,—at the will of a superior who takes care to leave him but a bare subsistence for his labour,—has little inducement to put forth his natural energies in the improvement of his holding. We cannot wonder at the low state of agriculture in the populous parts of Ireland under such a system: but give to these same cottiers a permanent interest in the soil,—and their habits of idleness and carelessness will give place to activity, ingenuity, frugality, and steady industry.

Whenever the Irish cottier has been permitted to settle in this manner on a tract of mountain or bog-land, the result has uniformly been what we here anticipate. On Mr. Gascoigne's property, and again on Lord Headley's, tenants dispossessed

from farms which they were unable to manage, were provided for in this manner, and according to the evidence of Mr. Barrington, the landlords have thereby greatly improved the value of their estates. The tenantry themselves were saved from destitution, and the tranquillity of the neighbourhood preserved*.

It should ever be borne in mind by legislators, that the law which secures a property in land is an artificial restraint on the free enjoyment by every individual of those gifts which the bounty of the Creator has provided for the satisfaction of his wants;—this restraint is just only to such extent as it can be proved necessary for the general welfare, and wherever it is found to go beyond that point, its modification is required by the same principle which alone sanctions its establishment.

* See Mr. Barrington's evidence before the Committee on the State of Ireland in 1832. Qq. 132--7.

CHAPTER XIV.

RESTRAINTS ON MANUFACTURES.

Taxes on raw materials.—Excise duties.—Factory-bill.

THE legal restrictions which interfere with manufacturing industry in this country are chiefly of a fiscal character.

Direct taxation has always been an unpalatable and unpopular mode of raising the public revenue. And governments have, in consequence, generally resorted to the imposition of customs and excise duties upon imported or home-made commodities. The tax being levied upon the producer or importer is charged by him, of course, upon the purchaser, who in reality pays it, but in so indirect a manner, as to be unconscious of the nature of the payment without a process of reflection that does not readily present itself to ordinary minds. Through this contrivance the Government of Great Britain has raised and spent enormous revenues which the nation would certainly never have consented to pay in direct contributions from their purses.

Whatever injury results from the people being thus blinded to the excessive expenditure of their government may, perhaps, be counterbalanced by the facility afforded to the collection of the

necessary revenue. The system, therefore, would be harmless on the whole, if the articles taxed were solely luxuries, consumed by the wealthier classes; in which case the effect of these duties would be nearly the same as of a direct tax on wealth. They would have little or no influence on wages or profits, and consequently on national industry. A very considerable proportion of our customs and excise duties, exceeding, according to Sir H. Parnell*, £27,000,000, are of this comparatively innoxious character.

But there are some duties which, by their interference with the manufacture either of articles of the first necessity, or of such as are fabricated in this country for exportation, exercise an injurious influence on these important branches of industry. Such are

1. The taxes on the raw materials of our principal manufactures. Sir H. Parnell estimates the amount of taxes annually levied on the materials employed in manufactures, buildings, ship-building, &c., at upwards of £6,000,000.

‘The levying of so large a sum on articles that require capital and labour to give them utility and value, must strike every one as being a most serious obstacle in the way of remedying the difficulties which press at this moment the heaviest on the country, namely, the want of employment for capital and labour. The repealing, therefore, of the whole of these taxes is a measure particularly called for under the present state of our manufactures, and of the labouring class.’†

* Financial Reform. Chap. IV. † Parnell, p. 19. Ed. 1832.

Since the first publication of Sir H. Parnell's valuable work, steps have been taken, in conformity with his recommendations, for the abolition or lightening of some of these injurious imposts. The duties on hemp, which is extensively used in the manufacture of linen, sails, and cordage—on barilla and ashes, on a large number of drugs and dyes used in various branches of manufacture, on coals and culm carried coastwise, on tiles, on leather, and on soap, have been either completely abolished or greatly reduced. The duty on thrown silk still remains. And the heavy duty on timber,—but especially the arrangement of that duty, whereby North American timber, very deficient in strength and durability, is forced into general use in place of that from the north of Europe, which is not only procurable at a less expense, but is likewise of infinitely better quality—continues to disgrace the statute-book, and condemn our public and private buildings to premature decay.

2. Of taxes imposed directly on the manufacture of articles of prime necessity, or exportation, Sir H. Parnell justly stigmatises the heavy duties on paper, glass, and printed calicoes. The latter has lately been materially reduced.

‘The duty on paper has an injurious effect on many other trades besides that of the paper-maker. The limited consumption which it occasions injures the makers of machinery, type-founders, ink-makers, printers, engravers, booksellers, bookbinders, stationers, paper-stainers, and several other trades. But the greatest evil of all is the high price of books which it gives rise to. This

places a great obstacle in the way of the progress of knowledge, of useful and necessary arts, and of sober and industrious habits. Books carry the productions of the human mind over the whole world, and may be truly called the materials of every kind of science and art, and of all social improvement.*

In addition to the increased cost of these manufactures occasioned by the amount of the tax collected from them, the necessarily severe and vexatious regulations under which the duties are collected, have most injurious consequences.

‘By the Excise laws prescribing the processes of fabrication, the manufacturer cannot manage his trade in the way his skill and experience point out as the best; but is compelled to conform to such methods of pursuing his art as he finds taught in Acts of Parliament. Thus the unseen injury arising from Excise taxation, by its interference with the free course of manufacture, is much greater than is suspected by the public. The consequence of the activity and invention of the manufacturers being repressed, is, that the consumers of their goods pay increased prices, not only for the duties imposed on them, but for the additional expense incurred by absurd and vexatious regulations; and, in addition to this, the goods are generally very inferior in quality to what they would be if no duties existed.†

In the same way the mode of levying the duty on malt inflicts a greater injury on the agricul-

* Parnell, p. 28.

† Ibid. p. 26.

tural interest and the manufacturers of malt, as well as on its consumers, than can be measured by the amount of the tax collected. "The severe and vexatious excise regulations, at one and the same time, have the effect of unnecessarily fettering the operations of the maltster—of deteriorating the quality, and adding to the price of his malt—and of putting him wholly in the power of the pettiest officer of excise."* In consequence of this system, and perhaps of the too heavy duty levied on an article which can scarcely be called a luxury, the consumption of malt had been stationary for the last forty years, until the late Beer Act gave a temporary stimulus to the consumption of brewers' beer, at the expense, we fear, of much of the morality and happiness of the working classes, who have been induced to consume it in tippling-houses rather than at home in the midst of their families. The malt-duty should be taken off; and if no other means could be devised for making up the deficit in the revenue, it were better that a beer-duty be reimposed in its place.

It is to be hoped that the further repeal of the taxes on manufactures, and the materials of manufactures, will be proceeded in, until the whole are removed, and that artificial obstacles of this nature will no longer be allowed to impede the employment of British capital and labour, in working up the produce of British industry into articles for sale in the home or foreign markets.

Direct interference of government with manu-

* Edinburgh Review, vol. xliv., p. 373.

factures, for other than fiscal purposes, has long since been happily disused and discredited in this country. The Factory Bill, however, just passed, is to a certain extent a revival of exploded and condemned principles—necessitated, perhaps, by the peculiar circumstances of the times, which, keeping the labouring class in an unnatural state of depression, and forcing an extraordinary competition among manufacturers, have led some of the neediest and least conscientious among them to exact from the children they employ a greater amount of labour than is compatible with their health or happiness. In a more natural state of things, which afforded a competent remuneration to the labour of the working class, such interference of the legislature would be unnecessary, and the health of children might be left with safety to the natural guardianship of their parents.

In other countries, the law continues still to meddle injuriously with many processes of manufacture, for purposes of supposed public advantage. The mischief of all such interference was, however, justly exposed in the work of M. Chaptal, Minister of the Interior under Napoleon, published in 1819; and the following passage from that work evinces a creditable acquaintance with the true principles of commercial and financial policy.

“A government that knows its real interests will endeavour to favour production; its wealth is proportioned to the quantity of taxable produce within its reach. It is less by the amount of taxation, than by the mode in which the taxes are levied, that a nation is oppressed. When the materials of industry are taxed, the source of repro-

duction is dried up, and the public prosperity must languish." "Imposts should be placed, not on the first necessities of life, but on superfluities." "To protect property, to facilitate the supply of the materials of industry, to favour production in every shape, is the sum of the duties of government in relation to commerce. By attempting to interfere with the processes of fabrication, to influence the supply of markets, or to regulate commercial transactions, it can only hamper industry, and injure its own interests."*

* Chaptal, *De l'Industrie Française*, tome xi., p. 218.

CHAPTER XV.

RESTRAINTS ON COMMERCE.

Restrictions on Exchanges.—Fallacy of the Arguments against Free Trade.—History of the Protecting System.—Ruinous policy for a Commercial State—Depresses Industry and discourages Production.—Taxation no ground for protection—Nor the absence of reciprocity.—True principle and limits of protection.—Colonial System.—Advantage of Colonial over Foreign Trade.—Real use of Colonies.—Should be considered as extensions of cultivable Territory, and the Trade with them assimilated to the Home Trade.—Colonization.—Corn Laws.—In principle unjust and impolitic, except to a very limited extent.—Present System.—Its removal should be preceded by a removal of the restraints on Agriculture.—Absenteeism.—Conclusion.

OF all the faults which have been committed by the legislature of this country, few have proved so injurious to the successful prosecution of the national industry, as the restraints which it has imposed on the freedom of commercial exchanges.

In a former chapter, we endeavoured to exhibit the vast benefits that flow from commerce, through its enabling the inhabitants of every district or country to avail themselves of the advantages they possess of climate, situation, or soil, favourable to the production of particular commodities, for

procuring such other things as they cannot so readily produce at home, at the least possible sacrifice of labour, time, or capital—in one word, at the least cost.

But the benefit thus arising to a people from the satisfaction of its wants at the cheapest possible rate has long been, and still is, stoutly denied. It has been contended that the importation of foreign commodities prevents the employment of so much native industry as would be required to fabricate these goods, or some substitutes for them, at home; and that this injury is in no degree compensated by the comparative cheapness of the foreign commodities to the consumer. This argument rests upon several great and equally fatal errors.

1. The attention is confined to the effect of the importation of a superior foreign article on those persons in the importing country who are already engaged, or would, but for such importation, engage themselves, in the fabrication of the commodity in question or its substitute. It is altogether overlooked that the importation is only an *exchange* of some product of home industry for some other of foreign industry; and that to prevent the importation of the one, is to prevent the production and exportation of the other. In fact, it is not the foreigner that '*produces*,' in the English market, foreign silks, gloves, or corn—their real producer is the English manufacturer and trader, who makes and exports cloth, cotton, or hardware, and brings back *in exchange for these articles*, the gloves, silk, or corn. These things are as certainly *produced* in the mar-

kets of England by the employment of English labour, skill, and capital alone, as if they were raised and fabricated *directly* upon the surface of this island. Their equivalents must be first produced here, and then exported in exchange for them, or their introduction would be impossible; for certainly foreigners never send us their goods, except in return for an equivalent, and we can of course export nothing which is not the produce of British industry. Every obstacle, therefore, placed in the way of the importation of any foreign article is precisely to the same extent an obstacle to the exportation of an equivalent of British manufacture. And the injury sustained by the consumers of the articles so 'protected,' as it is called, in their higher price or inferior quality, is wholly uncompensated by any advantage whatsoever to any one. The effect of all protecting duties is to diminish the general productiveness of the national industry, by confining it to such employments as are less productive of value than those which, without such interference, would be undertaken.

The reasoning, indeed, on which that interference is grounded directly denies the benefit resulting from the division of labour and exchange of its produce. If true with respect to nations or districts, it must be equally true with respect to individuals. It would go to make every producer fabricate all the articles he consumes, on the ground that it injures him to be supplied with anything fabricated by another party.

2. The mistake has arisen in a great degree from the natural shortsightedness of those who, accustomed, from their own '*practical*' experience, to

consider the employment given by a customer to the capital and labour of a producer as his only source of gain and maintenance, look upon such employment as an end rather than a means, and imagine every change which lessens the quantity of labour and capital employed in producing a commodity to be injurious instead of beneficial.

It is, in fact, precisely the same vulgar error which leads to the outcry against improved machinery, viz. because it effects a saving in the labour or capital expended in any branch of production; as if this were no benefit, but the contrary. It is forgotten in both cases, that though the change may for a time derange the industry of some parties,—may throw out of work the labourers, and reduce the value of the capital employed in the particular branch of industry it supersedes, it must cause *at least* an equal demand for labour and capital in some other branch; so that the body of labourers and capitalists, or the producers *as a whole*, cannot lose, while the greater cheapness of the article to all its consumers is a clear additional gain to the community. But in truth an *increase* of the aggregate demand for the produce of industry always follows every increase in the facilities for production; the desires of man universally expanding with his means for satisfying them.

3. And thus a third fallacy is involved in the usual arguments against free trade. It is taken for granted that there will be the same demand for the inferior and dearer home-made article as for the better and cheaper foreign product; whereas it is precisely the superior cheapness and

quality of the latter that *creates* a demand where none would otherwise exist, and stimulates exertion to procure the means of satisfying it. And since it has been shown that, to satisfy this demand, an equivalent of home manufactures must be exported, it is evident that the admission of foreign goods, by *tempting customers*, is the cause and origin of an *increased* demand for goods of home make.

It is also the cause of great improvement in their quality, by rousing the emulation of the native manufacturer, and offering him models for imitation. In fact, to prevent the introduction of foreign fabrics to compete with our own, is to offer a premium to sloth and negligence; and experience has proved that such competition is always followed by a rapid improvement in the home-made article.

‘The history of the protecting system shows that it had its origin at a period when nothing was known by statesmen and legislators of sound principles of trade. It seems to have been introduced into European policy by M. Colbert. Before his time Holland supplied all Europe with manufactures, and received in payment for them the raw produce of her poor neighbours. M. Colbert, overlooking the fact, that manufactures cannot be established in a country until it has acquired a considerable capital, and until the people of it have become rich enough to be able to buy them, sought to force the growth of manufactures in France, merely by issuing his famous tariff of 1667, by which the importation of all manufactures into France was prohibited. The failure of his theory is amply attested by experience. France, ever since that period, has been paying for the manufactures used

by her (taking price and quality into consideration) from half to twice as much more as England and Holland have paid for similar articles, and her establishments have continued of the most wretched description till within a few years. They are now, in consequence of the high prices and limited consumption which are the effects of protection, greatly depressed below what they would be if no protection had ever existed, for France is a country possessing great natural advantages for carrying on manufactures.

‘Immediately after the appearance of the tariff of 1667, the Dutch retaliated by prohibiting the importation of the wines, brandies, and other productions of France*. This commercial warfare produced open hostilities in 1672, and a war that lasted six years; and it is to commercial prohibition and retaliation that most of the wars in Europe, since 1667, are to be attributed.

‘England followed the example of Holland in prohibiting French productions; and from that time has been amongst the foremost of nations in loading her commercial legislation with all kinds of mischievous and erroneous regulations.

‘As this system of protection has been steadily acted upon by all nations since 1667, on a most mistaken notion, which has been generally entertained, that the protection of trade was a necessary part of the duty of the executive government, when it is considered, on the one hand, what the consequences would have been throughout the world of allowing trade and manufactures to take their natural course in supplying every country

* *Richesse de la Hollande*, vol. i., p. 345.

with every article of production of the best quality, and at the lowest possible price, and in advancing universal wealth and civilization; and on the other, what the consequences have been of the numerous wars which the system of protecting trade and manufactures has given rise to, we cannot avoid coming to the conclusion, that those statesmen who invented this system, and who have supported it, and do still support it, deserve to be classed among the greatest enemies to the civilization and happiness of mankind.*

Few political errors have, indeed, occasioned more mischief than this. The regulating mania which it inspired, has tormented industry in a thousand ways to force it from its natural channel. It has falsely taught nations as well as individuals to regard the welfare of their neighbours as incompatible with their own. It has fostered a spirit of artifice and conspiracy of class against class, and interest against interest,—each trying to gain legislative favour at the expense of the rest. The prices of most articles have been forcibly enhanced by protecting duties or legislative monopolies. By this awkward system of each robbing each, *all* parties have been losers, and the sum of national wealth, comfort, and prosperity proportionately lessened.

We must refer to the remainder of the chapter of Sir H. Parnell's excellent work, from which we have extracted the above, for an account of the partial and imperfect steps that have been taken of late years by the government of this country for the correction of this mischievous error.

* Parnell, p. 75.

Certainly it would be impossible to conceive a more suicidal policy for a great manufacturing and commercial country like this, than a system which strikes at the very root of all commercial and manufacturing industry. No conduct was ever so fitted to produce an effect the very reverse of the object aimed at, as that of the politicians who, at a time when wages and profits are ruinously low, would continue these *restraints on the profitable employment of capital and labour, for the declared purpose of encouraging their employment*. They forget that labour and capital are set in motion, not for the mere pleasure of the toil or expenditure, but for the sake of their returns. The higher their returns, the greater the inducement to the employment of the labour and the capital. The less the returns, the less the inducement to set capital and labour in motion. Now, to prevent the production of any article at the least possible sacrifice is directly to lessen the attainable returns to labour and capital, and, therefore, to check, not to encourage, their employment. The circumstance of the existing glut of labour and capital seeking vainly for profitable employment, instead of being, as is pretended, a ground for excluding foreign manufactures with the view of encouraging our own, is, on the contrary, in a great degree caused by the operation of this restrictive system, and is the strongest argument for encouraging our home manufactures by admitting, on the lowest terms consistent with purposes of revenue, those foreign productions for which a demand exists in this country, and to procure which *an equivalent must be exported of*

those national products which can be disposed of abroad. The difference of energy between the demand for the foreign product, and that for the inferior British substitute, is the cause and the measure of an increased demand for the produce of British industry on the part of our merchants, who cannot import without exporting. Had the legislature completely shut out all foreign productions from this island, and forced its inhabitants to content themselves with objects *directly* created by their own industry, does any one believe that the industry, the productiveness, the wealth, or the power of the nation would have attained to one-fourth of their present developement? Our wishes repressed by a prohibition on their gratification—all the stimulus to industry, enterprise, and ingenuity removed, which proceeds from the excitement of new and varied wants,—we should have stagnated in the torpid condition of those nations among whom commerce is nearly unknown, and who have remained for as many thousands of years unimproved, as we have spent centuries in passing, chiefly through the instrumentality of our commerce, from the depths of barbarism to the high station we now occupy at the head of the civilized world.

To whatever extent this principle of exclusion is carried, it must, in a proportionate degree, depress industry and discourage production. “In all cases where high duties are imposed to afford protection, foreign commerce must, in the nature of things, be diminished to a greater extent than domestic industry is encouraged.”*

* American Anti-Tariff Memorial. 1828.

remarked in the same document, it is with singular inappropriateness that this destructive prohibitory policy has been denominated a "protecting" policy; its effect being to lessen the productiveness of industry, and to destroy, not to create wealth.

Every manufacture has its proper position, as every agricultural product has its proper soil. The attempt to establish manufactures of every kind indifferently in every country is like an attempt to grow in one spot the vegetable productions of every soil and climate. By a vast expense in glass-houses and fuel, you may succeed in rearing some weak and puny specimen of a tropical fruit in Norway or Iceland;—and in the same manner by prohibitions and bounties you may raise some faint imitation of a foreign manufacture in a country unsuited to its production. But in either case there is a waste of all the trouble and expense which the effort has cost, beyond what would have served to produce the fruit or the fabric in all its perfection, by exchanging for them with the inhabitants of those countries to which they are suited, such objects as you enjoy from natural circumstances an especial facility for producing.

It is not by legislation that industry is to be encouraged. Freedom is the element it loves. In that, its native climate, it expands its spreading branches, and matures its rich and abundant fruits. In the sickly and confined atmosphere of the legislative forcing-frame it loses its health and vigour, decays, and before long expires.

Of the arguments which are brought against the principle of free trade by those who cannot venture to deny the simple axiom that every importation causes a correspondent exportation, we know only of the following :

1. ' That the producers of such a highly taxed country as this ought to be protected from the competition of comparatively untaxed foreigners.' But if the taxes of this country are levied equitably from all classes, it is clear that the producer of the article which would be exported to pay for the imported commodity is as much burdened by the national taxation as the producer of the article which the latter would supersede. If, in spite of this taxation, he can find a foreign market for his goods, to stop him from doing this because another manufacturer, *not more heavily taxed*, labours under greater natural disadvantages, is about as wise as it would be to tie up the legs of all sound men because some are lame ; it is to choke up one of the main sources of the national revenue, namely foreign commerce, and by so doing to *increase* the general pressure of taxation, the weight of which is the professed reason for the restriction. If the taxes are not levied equitably, the remedy is to equalize them, not to make the imposition of one injustice the defence for another.

2. ' That one country loses by the importation of the goods of another, unless there is a *reciprocity* in the free admission of her goods on the same terms into the latter.' This fallacy is easily seen through. A. will not send goods to B. except in exchange for goods or cash. If the admission

of goods from B. into A. is prohibited, and does not take place by smuggling, (which in nine cases out of ten is really the case, though these transactions, not appearing on the face of statistical documents, are overlooked in the arguments of the sticklers for reciprocity,) the goods B. receives must be paid in the precious metals—say in gold, as the cheapest of conveyance. But it cannot be profitable for any merchant in A. to export gold in purchase of foreign goods, unless at the same time he, or some other merchant, finds it profitable to import an equal quantity of gold in exchange for goods of home production from some other country, say C., into which the goods of A. find their way. If the goods of A. could not buy this quantity of gold somewhere, its exportation to B. would speedily raise its value in A. so high, that it would be no longer profitable to export it for the goods of B. The whole process may be looked upon as one transaction. Gold is an article of merchandise, and must, in the long run, preserve the same value in relation to goods throughout all countries that deal together. The merchants and producers of this country, as a body, could not find it profitable to send out gold in payment of goods, unless it were equally profitable to purchase gold with goods. In fact, however, very little gold is employed for this purpose. The circulation of bills of exchange representing goods, settles the mutual commercial balances between different countries. If A. imports from B. more goods than it sends there, B. is paid by goods sent from C., which receives from A. more than it sends. Any impediments, therefore, placed in the way of the

mutual interchange of goods between nations is as injurious to the country imposing the restriction, as to that whose productions are prohibited or heavily taxed; every prohibition, or tax, upon importation acting precisely to the same extent as a prohibition, or a tax, upon exportation. If France excludes our iron, France suffers from this unwise policy quite as much as England. If England exclude the timber or the grain of the north of Europe, England is certainly as large a loser as Norway or Poland. On whichever side the restriction is imposed, there is sure to be a reciprocity of injury: and the benefit of every relaxation, from whichever side it proceeds, is sure to be enjoyed by both.

The argument for the prohibition of foreign importation, with the view of encouraging native industry, is extended to our colonies, and it is urged that, to encourage and protect colonial industry, we ought to exclude or place under restrictive duties such foreign articles as we could obtain from them. To the extent to which the doctrine is usually carried by its supporters—and has, indeed, been carried into practice in our ‘colonial system’—its unsoundness is made palpably manifest by the same considerations which exhibit the fallacy of the home protective system.

To a certain limited extent, the argument as to the expediency of encouraging the production within our own territorial limits of the commodities required for the satisfaction of our wants, is sound and perfectly admissible. Until nations are perfectly convinced of their community of

interest—until all mutual jealousy and animosity is extinguished—until the possible occurrence of war and the interruption which it places in the way of foreign commerce be prevented, it *will* be safer for a nation to produce within its own limits the commodities it requires. The exchange of such productions cannot be impeded by the commercial jealousy or political hostility of other states, and this security is worth *some sacrifice*. But the *amount* of the sacrifice is the entire question. It may be worth while to levy duties of five, ten, fifteen, or even twenty per cent. on foreign articles for this object; and as the revenue derived from this source will save the necessity of imposing an equivalent of taxes in some other form, the imposition of custom-duties on foreign imported commodities is, on this ground, the most advisable of all means of raising a revenue. It does not burthen industry *more* than any other tax, and it affords the additional advantage of securing to a certain extent the trade and industry of the country from being injured by the folly or violence of other governments. But, if carried far, the duties are, in the first place, evaded by the smuggler, in which case the expected revenue is lost, and all the manifold evils of this demoralizing trade substitute themselves for the benefits of a legitimate commerce. In the second place, we lose the stimulus which would be applied to industry by the offer of new and varied gratifications to the ever-expanding wants of consumers.

The restrictions imposed upon this principle on foreign importations have for their object the ‘protection,’ not of producers, but of consumers.

The producers, as a body, it has been shown, are losers by every such impediment to free exchange. But the consumers require to be protected from the chances of having their supplies cut off by foreign interference.

The encouragement which may be legitimately afforded to colonial industry upon the principle above stated, is somewhat less than that which native industry can claim, inasmuch as the hold retained by the mother country over its colonial possessions, and the security from an interruption of their mutual intercourse, is less than in the case of the home trade.

The benefits arising from the possession of colonies have been as much underrated by one class of politicians as they have been overdrawn by another. It is strange that those economists who deny that the commercial intercourse with a colony offers any advantages whatever beyond that carried on with independent states, should overlook this essential distinction between the two, that the one is almost wholly at the mercy of foreign governments, which, from motives of caprice, hostility, or false views of policy, may prohibit the entry of our vessels or produce into their states; while the other is *secure* (so long as the colony remains attached to the mother country) of being carried on upon the terms which the common government considers to be most conducive to their common interest. Here is undeniable ground for awarding a preference to colonial over foreign trade.

On the other hand, the advocates of the colonial system have in general greatly overstated

their case—arguing as if the loss of a colony would of necessity be followed by the loss of all the trade previously carried on with it. That trade *might*, it is quite evident, be carried on under the same circumstances, with the same, or any other similarly situated country, as an independent state. It is only the uncertainty—or, it may be said, (under the existing prejudices in favour of the protective system,) the improbability—that an independent state would admit, or continue to admit, the same free intercourse, or reciprocity of duties, which can be *commanded* from the colony, that gives a superior value to the trade with the latter. This advantage clearly has its limits, and may be bought too dear. It has been calculated (with what correctness it is not easy to determine) that the British colonies have, since the beginning of this century, put the mother country to an expense in the cost of their establishments, and of the wars entered upon for their protection, exceeding the entire amount of her exports to them during the same time! Were the trade as valuable as its most zealous advocates pretend, it would be dearly purchased at the tithe of this cost.

But there are advantages of another kind arising from the possession of colonies, which, though they have hitherto been imperfectly appreciated, will be found, if fairly balanced, to outweigh every other; namely, the certain and extensive field they offer for the profitable employment of the capital and labour of the mother country, whenever their competition at home is such as to depress the rate of profits and wages. Viewed in this light, colonial possessions appear of inestimable value.

All old states are sooner or later liable—unless the increase of their wealth and population has been kept down by the desolating scourge of war, by tyranny, misgovernment, or natural calamities—to experience an irksome and injurious limitation of their territorial extent. Those parts of their surface which are sufficiently fertile or favourably situated to repay the expense of cultivation with a fair profit, being fully occupied, they cannot raise additional raw produce at home except at a sacrifice of capital and labour, which, if submitted to, must eventually lower profits and wages in every branch of industry. In a former chapter we have traced this natural and constant tendency in the growth of population and wealth to require a continual enlargement of superficial area for its development. If facilities are wisely afforded to such expansion by colonization, this tendency is incalculably beneficial, leading to the spread of human happiness, civilization, and refinement, over the wide wastes of the world. If these precautionary measures are neglected, and the restraints which every system of civilized society necessarily imposes on spontaneous migration are unmitigated, the most distressing consequences generally ensue. No country, perhaps, has suffered more from such deficiency of superficial extent than Britain, especially since the peace put a stop to the great demand and consumption of her produce which was occasioned by the war expenditure, and turned the balance in favour of supply and accumulation. At the same time, no country ever possessed such vast opportunities of territorial expansion as are afforded in her extensive, fertile, and favourably

situated colonies. The real worth of these possessions, if concealed from our own eyes, is, at least, duly appreciated by foreigners. Mr. Rush, the late minister of the United States in London, thus justly and forcibly expresses the precise views we are endeavouring to urge on this subject—

‘Britain exists all over the world in her colonies. These alone give her the means of advancing her industry and opulence for ages to come. They are portions of her territory more valuable than if joined to her island. The sense of distance is destroyed by her command of ships; whilst that very distance serves as the feeder of her commerce and marine. Situated on every continent, lying in every latitude, these her out-dominions make her the centre of a trade already vast, and perpetually augmenting;—a home trade, and a foreign trade, *for it yields the riches of both, as she controls it at her will.* They *take off her redundant population, yet make her more populous;* and are destined, under the policy already commenced towards them, and which in time she will far more extensively pursue, to expand her empire, commercial, manufacturing, and maritime, to dimensions to which it would not be easy to affix limits.’

The productive powers of Britain notoriously are, at present, and have been for years past, in a state of unnatural congestion; while, so far from there having been any indisposition to consume, millions have, at the same time, been in want of the mere necessities of life. But why this anomaly? Simply because we have confined our growing energies too closely within the narrow limits of this little island, and have been slow to

avail ourselves of the prodigious facilities for enlarging the superficial area of our industrial pursuits which are afforded by our colonies.

In confirmation of this view of one of the main causes of our present unsatisfactory position, let us examine what is the nature of the additional powers of production which we have so abundantly acquired, and what the objects of which we continue to be in want, notwithstanding these augmented resources.

The inventions which of late years have been brought to light in this country, and which distinguish it so much from every other, have reference almost exclusively to manufactures—to that branch of industry which supplies its population directly, or indirectly by foreign exchange, with clothing and a variety of objects, which, though they have become from habit more or less accessory to our comfort, cannot be reckoned among the necessities of subsistence. It is the production of these things, of secondary rather than of first-rate importance, that has been advanced by the spinning-jenny, the power-loom, the stocking-frame, and the other wonderful machinery which that wonderful automaton, the steam-engine, sets in motion. And, accordingly, there exists an abundance of these things—an abundance notoriously complained of as an evil, under the denomination of glut.

But the things of which, in spite of so many improvements, we experience a deficiency, are the primary necessities of subsistence—the products of agricultural, not of manufacturing industry. There is an abundance—nay, there is an acknowledged superabundance—of cottons, and cloths,

and cutlery, and brass furniture in the country; but there is a sensible want of good wheaten bread, and cheese, and bacon, and fresh meat. The prices of the former objects have fallen in some cases to one-fourth, in others to one-tenth, of what they were half a century ago; while the prices of the principal articles of subsistence—of *food*, in short—have very considerably *risen* during the same period. And since the labouring class cannot live upon hardware or calicoes—and that the being able to procure clothing or conveniences of better quality than before is but a poor compensation for an emptier stomach—their condition remains unimproved, or rather has deteriorated in its primary feature, their command over the means of subsistence.

Now let us suppose, for an instant, that our means of self-supply of agricultural produce had advanced as rapidly as our capacity for supplying ourselves with manufactured articles,—either by reason of extraordinary improvements in agriculture, rivalling those which have so augmented our manufacturing productiveness—or through a miraculous increase in the fertility of our soils—or the gradual accession of a large extent of new and rich land to our coasts. It will be evident to all who think upon the subject, that in this case the main evils of our present economical condition could not by possibility be in existence. The comparative cheapness of raw produce, especially of food, *consequent on its increased production at a rapidly diminishing cost*, would not only have afforded an abundance of the necessaries of subsistence to our whole working population, but,

enabling them to spare a far larger proportion of their earnings than they can at present for the purchase of clothing and superfluities, would have multiplied the demand for these secondary objects, and added greatly to the remuneration of capital and labour employed in *their* production; while this thriving condition of our manufactures must react upon, and secure a full remunerative demand to the agriculturists. Profits and wages would be high in every business; all our productive interests would be in a state of sound and growing prosperity.

Now though improvements in agriculture do not occur fast enough to meet the demand of our increasing population and wealth from the cultivation of our home soils,—and though it is idle, of course, to expect a miracle to augment the natural fertility of these soils, or annex any considerable tract of rich land to our coasts,—yet the same beneficial consequences which would flow from these hypothetical circumstances, were they really to take place, must follow from our cultivation of the rich soils that are separated from Britain by the Atlantic, and fully to the same extent as if these soils *were* attached to our coast, but for the single circumstance of the cost of conveying their raw produce, and the British manufactures we should exchange for them, across the intervening ocean.

This cost, however, is to be calculated to a nicety, and will be found a mere trifle in comparison of the enormous sacrifices of capital and labour that we are daily making for want of such a field for their profitable investment. *This cost, moreover, is diminishing daily.* We may shortly

expect to see the Atlantic practically reduced to one-third of its width by steam navigation. The cost of conveying flour from Quebec to Liverpool or Manchester is even now scarcely more than that of its land carriage a century back for a distance of fifty miles. By further improvements in communication (which are perhaps advancing with greater rapidity than any others) we may reasonably expect our North American colonies to be every year approaching still nearer to our great manufacturing districts, and the intercourse between them to be attended with no greater difficulty or expense, perhaps even with less, than that which could take place between Lancashire and any tract of rich land we might suppose to be added by a miracle to the Norfolk or Essex coast. Let but our redundant capital and labour take that direction, and let the intercourse be as free between Lancashire and Canada as it would be between Lancashire and Essex, and the double object will be answered of increasing our supplies of food at home (now unquestionably deficient, as compared with commodities of secondary importance) and of opening new avenues for the profitable employment of our surplus labour and capital in *agriculture, manufactures*, and, let us add, *commerce* likewise—since our own merchants, shipping, and seamen, would be exclusively engaged in this trade.

And herein is seen an additional superiority of the trade with a colony over that with an independent country. Were corn to be freely imported from Poland or the United States in exchange for our manufactures, we not only, as has

been urged, become dependent in some degree for the first necessities of life on the will of the governments of those countries, who may at any time interfere with our supply, but we become dependent also for that supply upon the rate at which capital, population, and the agricultural art may happen to advance among their inhabitants,—a rate which we can do nothing to accelerate. If the advance of their productive capacities do not keep pace with our own, we carry on what may be called a losing trade with them,—we are continually exchanging larger quantities of the produce of our industry for less quantities of theirs. Moreover, though our manufacturers may be benefited by such a trade, our agriculturists would not profit from it in any degree, but would rather be falling back than advancing in their circumstances. The system of supply *by colonization*, on the contrary, offers a direct enlargement of the means for employing our agricultural as well as manufacturing population, the skill and capital of our farmers, as well as of our artisans and manufacturers; and thus gives a double stimulus to the national industry; at the same time that, instead of causing us to depend for our increased supply of food, and other agricultural produce, on the slow increase of the productive capacities of foreigners, and on their arbitrary commercial regulations, we at once employ our own capital and our own people, with all their known and tried resources of skill, genius, enterprise, and perseverance, in its provision—while we ourselves regulate the terms of its admission.

If we will only consider a fertile and favourably

situated colony, like the Canadas for example, in the light of an addition to the territorial extent of Great Britain, which is in truth its virtual character, we must recognize at once its prodigious value as a field for the utilization of British labour and capital, and a market for British manufactures. All that is required for the development of its advantages, is their due appreciation by the nation and the government—that the trade between the mother country and such of its dependencies as are most fitted for this purpose, be placed upon the footing of the coasting trade—and that an extensive and methodical system of colonization be organized by government, which should duly prepare the colonies for the purpose, by ordering the appropriation of their lands in the manner most conducive to their effective cultivation and settlement, and assist the emigration of the surplus labourers of this country (who, from the very circumstance of their redundancy, are too poor to find their own way over), regulating their numbers, and directing their course to the places where they are most wanted.

The foregoing considerations are closely connected with the question as to the expediency of our present system of duties on the importation of corn.

The argument in favour of a free importation is, indeed, far stronger as respects this article than any other, for the plain reason that every impediment placed in the way of such importation creates an artificial obstacle to the supply of *food* to the people. The exclusive burdens on agriculture are pleaded as a justification for such duties. These

burdens ought to be equalized, as has been shown in a former chapter. Certainly the imposition of one impediment to the supply of food for a hungry community can be no good reason for adding another ! The production of food is an object of such paramount importance, that it is difficult to justify any artificial restrictions either on its growth at home or supply from abroad. Whether it be produced *directly* by the employment of our labour and capital upon our ploughed lands and threshing-floors, or *indirectly* by their employment in our manufactories and shipping, (that is, in working up and exporting goods for which foreigners will give us food,) can be of no importance whatever to the food-consuming public, as a whole, so that they procure it at the cheapest possible rate. All their interest lies in procuring the greatest possible quantity of it at the least expense of their labour and capital. To give an artificial preference to its production from our home soils is only to require its production by a greater sacrifice of the capital and labour of the community than would be sufficient to obtain it by importation.

The claim sometimes put forward by the land-owners of this country to a monopoly of the supply of the corn required for the entire community, is an instance of the same spirit that dictated the ancient law by which the inhabitants of every manor were compelled to take their corn to the lord's mill to be ground (where of course a heavy tax, called multure, was imposed),—or that which appears from the capitularies of Charlemagne to have been a grievous source of oppression in the feudal ages, namely, the compelling travellers to

go out of their way in order to pay toll at a particular bridge, when they could cross the river more conveniently at another place.

The impolicy of taxes on the raw materials of industry is generally acknowledged: but a tax which raises the price of corn is much more reprehensible on the same ground, since this article of prime necessity enters as an ingredient into the wages of labour, and therefore affects not one or two only, but every branch of industry. Were the price of corn to fall, the money wages of labour in every department of industry might be lowered without injury to the labourers; and since wages compose by far the larger proportion—three-fourths at least, on the average, of the cost of every commodity—a fall in the price of corn tends to lower the necessary cost of nearly every other commodity, including, of course, those consumed by the agricultural classes themselves, who are thus great losers by the artificially high prices which they are endeavouring to maintain.

They suffer likewise in another manner from this unwise policy. The land, as we have seen, pays the greater part of the poor-rate of this country, out of which are supported in unproductive idleness large numbers of the unemployed population. Now it is certain that thousands of these would be set to work instantly, and their parishes relieved from the expense of their gratuitous maintenance, if the products of their labour, in cloth, cottons, or hardware, were permitted to be exchanged abroad for the corn which they require for their sustenance. The present consumption of home-grown corn by this surplus

population does not create a beneficial demand on the home grower, but just the contrary. It is a portion of his produce which he is by law compelled to give away for nothing. Were foreign corn freely imported in return for the labour of this surplus, the landed interest of England, instead of losing a beneficial demand, would escape from an oppressive tax. *They would shift the maintenance of this surplus of labourers from themselves upon the foreigner.*

The plain fact is, that in this country there are thousands of able-bodied labourers, supported in idleness on the compulsory charity of the propertied classes, eating into instead of adding to the resources of the land, while there exist all the appliances of knowledge, capital, and mineral wealth lying equally idle within their reach, and, on the other side of the Atlantic or the Baltic, customers anxious to give food in exchange for the product of their industry;—the only impediment to the beneficial application of these productive resources being a legislative interdict on that exchange: which interdict is kept up for the supposed benefit of the parties who are exclusively burdened by law with the maintenance of the redundant population! Nothing more need be said in illustration of this suicidal policy. The question is simply, whether our surplus labouring population shall be allowed to support themselves by working for the Americans, Prussians, &c., who are quite ready to employ and feed them; or forced to throw themselves on their parishes to be maintained gratuitously at the cost of the land and other property of this country.

At present other nations retaliate upon us for excluding their raw produce, by excluding our manufactures. But suppose that a mutual relaxation on our part and that of America in the customs duties levied on the respective products of each, should cause a new annual importation of corn into this country from America to the value of five millions, and an equivalent export of cottons, cloths, and cutlery to America from hence,—can it be questioned for a moment that the effect would be to give a great increase of employment to the labouring and capitalist interests of England, and to relieve the landed interest of the burthen of supporting a large surplus population? *

* A pamphlet has lately appeared from the pen of Mr. Barton, in which an attempt is made to prove that high prices of corn are beneficial, and low prices injurious to the body of the people, from a comparison of statistical documents, which seem to show that the average mortality has constantly declined, throughout decennial periods, as corn rose in price, and increased as prices fell. Now without dwelling upon the extreme variations which have occurred in the value of money during the periods from which Mr. Barton's facts are taken, and which greatly invalidate any conclusion whatever drawn from a comparison of prices, it is enough that Mr. Barton himself brings forward another series of results from statistical calculations, which, at the same time that they account for his first results, directly refute the conclusion he has drawn from them. He shows that the average of *marriages*, as well as of deaths, has increased in the periods of cheap corn, and fallen off in the periods of dear corn. Now this increase of marriages will itself account for the increase of deaths; because the immediate consequence of an increase of marriages is an increase in the proportion of infants to the entire population; and from the known large proportion of deaths which occur among infants as compared with adults, an increased ave-

It is true that the argument already adverted to, in favour of encouraging the production of commodities at home, lest this country be rendered too far dependent on foreigners for its supply, applies to the article corn, as to others. It is indeed stronger in the case of this necessary of life than in that of other things which may be spared on an emergency. But the evils of a constant limitation of the stock of food for a growing population perhaps more than compensate the risk of an occasional scarcity; which could never be carried to any extreme length, since the desire to sell on the part of those foreigners who habitually supplied our markets would be as great as our desire to buy, and must prevent their governments from taking such steps as would materially interfere with a trade so valuable to them.

At all events, to whatever extent the validity of this argument may be admitted as against the free

rage of deaths during these periods must exhibit itself: while this increase of marriages, indicating, as Mr. Barton himself acknowledges, a feeling of *plenty* among the labouring population, effectually disproves the alleged coincidence of an increase of general privation. Mr. B. ought to have distrusted inferences which went to establish so paradoxical a proposition as that the cheapness and abundance of the necessaries of life tended to abridge the lives and deteriorate the condition of their consumers. He challenges any refutation of his argument. The remarks here made upon it, are offered in a spirit of respect for his benevolent intentions by one who is a fellow-labourer with him in the advocacy of colonization, as a sure means of relieving want; but who cannot exclude from his view another resource almost equally effective, and which, indeed, ought to form an element in every scheme of colonization, viz., the importation of food in exchange for manufactures.

importation of foreign-grown corn, its force is materially lessened, and, indeed, disappears almost wholly, in the case of corn grown in our colonial possessions, by the application of British labour and capital. We have allowed the propriety of fiscal restrictions to a moderate extent on foreign commerce; and it is because we maintain a colony to be the very opposite, in every respect, of a foreign country—to be properly considered as an outlying province of the parent state, an integral portion of the empire, or a member of the same federal union—that we are anxious to see our colonial not merely distinguished from our foreign commerce by its lower scale of duties, but placed upon the same footing with our home trade by the abolition of all duties on articles of first-rate importance, the growth of our colonies, and measures taken for facilitating the supply of our most urgent wants from their inexhaustible soils. The truth is, we are at present stinting our population in the prime necessities of life, and keeping down the wages of labour and the profits of capital in this country to the *minimum* level, by confining our superabundant capital and labour to the cultivation of our home soils, and our hungry population to their scanty produce—which, through the limited extent and fertility of our island, *cannot* be increased to meet the increasing demand—whilst we have millions of acres of the richest possible soil courting our ploughs in our transmarine dependencies; in districts enjoying the healthiest climate, subject to our government, attached to our laws, and asking only to be peopled by the overflow of our population, and to have their vast

resources developed for the common advantage, by the profitable application of our redundant means. By treating the most fertile and accessible of our colonies as an extension of our home territory, we should obtain all the advantages derivable from an unlimited command of fertile land, secure a considerable rise in the real wages of our labourers, and in the profits of our capitalists, and render the improvements that for years past have been daily taking place in our productive capacities, what they ought to be—and but for the limitation of the territorial surface to which they have been confined, would have always been—a source of continual improvement in the condition and means of enjoyment of every class of society.

We have hitherto argued the question of corn-laws solely with reference to their *principle*. Whether the present scale of duties on foreign corn is injurious from its varying character or excessive amount, is quite another consideration, and much more open to doubt.

It appears that the present duties on wheat have not prevented the importation since the last alteration of the corn-laws of a quantity equal to one-twelfth of the entire consumption of England, and that though the rates of duty paid have varied from 1s. to 28s., the average upon this very large quantity is only 6s. 8d. It would seem from this that the present rate of duties is not very burthensome upon the consumer; and it is doubtful whether it would be an improvement to exchange this varying duty, averaging only 6s. 8d., for a fixed duty of *more* than the same amount; while it is certainly out of all question that any proposal for a

lower rate of duty would be listened to at present by the legislature. On this ground we are by no means confident that any great advantage is to be gained by hastily unsettling the present system, so far as relates to *foreign* corn. That system having been acted on since 1815, has placed the agriculture of the whole island in a false position; has encouraged the investment of much capital in the tillage of poor soils, and the growth of a large agricultural population upon them. To repeal therefore, or to lower the corn duties suddenly, would do much mischief by throwing a large portion of the home soils out of cultivation, and of the agricultural labourers out of work. When, however, the impediments are removed, which we have noticed as barring the profitable employment of productive industry in agriculture,—when tithes are commuted—accommodation afforded to farmers by a better banking system—the working of the poor-laws improved, and their cost reduced,—our labouring population restored to their moral and industrious habits—Ireland pacified, and her vast agricultural resources developed by a law compelling the employment of her able-bodied poor—when also a system of colonization has applied our agricultural skill, labour, and capital to the cultivation of our colonial soils;—the diminished cost of raising corn within our own territory will lower its price without loss to the grower, who will by degrees become able to compete with the foreigner; and the corn-laws may then be repealed without injury to any one. Those who wish for cheap bread should call for such measures

as may enable it to be raised cheaply by British industry from British soils.

On the whole, the conclusion is, that absolute freedom of commerce, in the present state of society, would be unsafe. Freedom is the true principle towards which we should be always approximating in practice ; but until nations are fully awake to their community of interest, and are linked together in the bonds of a fraternal or federal union—until commercial jealousies have disappeared, and the chances of war are materially reduced—it will be a prudent course for every state to give a *moderate* encouragement to the supply of its own wants from its own resources, by imposing duties on such foreign commodities as can be almost, though not quite, as cheaply produced at home as they can be procured from abroad. The only question is as to the extent of these duties. With respect to articles of small bulk, the smuggler determines the limit. The duty must never be such as to throw the trade into his hands. With regard to articles not liable to contraband introduction, the duty must be regulated by balancing its disadvantages, viz., injury to consumers, and discouragement to industry, against its advantages, consisting in security for a constant supply and uninterrupted trade, and (a consideration not to be overlooked) the easy collection of a considerable revenue.

That sound ideas are beginning generally to prevail in other countries as well as our own, on this momentous subject, is a source of great satisfaction. As an instance, we may quote a passage

from a petition presented on the 10th July last, from the prudhommes of Lyons to the Minister of Commerce; in which the government of France is urged to abolish all impediments to the importation of raw materials, and of those articles which France is unable advantageously to create, and, 'by enfranchising that country from the trammels of legislative monopoly, to consolidate the peace of the civilized world.'

'Commercial freedom is equally demanded by those who produce and by those who consume;—a freedom gradual in its introduction,—gradual in order that no branch of industry may be suddenly compromised,—that those especially which are most menaced by a change of legislation may have time to conform themselves, by prudential preparations, for a state of liberal intercourse, which is felt to be alike the want and the interest of nations*.'

When the governments of Britain and of France have adopted the maxims of a liberal commercial policy, it cannot be long before the benefits that must flow from the change will lead other states to follow their example.

The disputed question of the effects of Absenteeism is connected with that on commercial restraints, and, therefore, comes properly into discussion in this place. The moral benefit which the residence of landlords upon their estates tends to confer on society has been conceded by those who at first denied that residence was any ad-

* Globe Newspaper, 20th July, 1833.

vantage whatever, and consequently that absenteeism could be any injury. The economical consequences of absenteeism,—so far as relates to England—consist, it appears to us, simply in such as may flow from the landlord's income being expended in the employment of one branch of industry rather than another, or of the inhabitants of a town rather than of a country district. If an English landlord reside in London, and expend there his rental drawn from Yorkshire, the tradesmen, &c., of London gain all that the tradesmen, &c., of Yorkshire lose. If he reside abroad, his rental must be remitted *indirectly* in British manufactured commodities, and its expenditure, therefore, gives the same aggregate employment to British labour and capital, as if he resided in the country and spent it on British goods of a different kind. To put an extreme case, were even the *whole* rental of the kingdom spent abroad, there would still be as much employment afforded to British industry as before. Ruin would no doubt fall upon the tradesmen of London, of our watering-places, and of many country towns and villages; but Manchester and Sheffield, Leeds and Liverpool, would gain in exact proportion to the loss sustained by the other places. The rental could not be remitted except in the form of British manufactures fabricated at some of these places. It is not meant to deny that great injury would result from the absenteeism of all our landed proprietors, but the injury would be of a moral and social rather than an economical nature.

The case of Ireland, however, differs from that of Britain in this remarkable point, that, while the

latter exports solely manufactures, the exports of Ireland consist almost solely of *food*—corn, butter, pork, beef, &c. In her case, therefore, that portion of the raw produce of the soil which accrues to the landlord as rent, will, if he is an absentee, be *directly* exported, as the only means of remitting his rent, instead of being consumed by manufacturers at home while working up goods for exportation, as in England. The English absentee landlord may be considered as feeding and employing, with the surplus produce of his estate, that portion of our manufacturing population which is engaged in fabricating the goods that are sent abroad to pay his rent. The Irish absentee, on the contrary, can only have *his* rent remitted in the shape of food: there is no secondary intervening process whatever; and the more food is in this way sent out of the country, the less, of course, remains behind to support and give employment to its inhabitants. If these were all fully fed and employed, no harm would result from the exportation of food: as is the case, for example, with some parts of North America. But so long as the people of any country are, as in Ireland, but half employed and half fed,—so long, to export food from thence will be to take away the means existing in the country for setting them to work and improving their condition. Should the Irish absentee landlord return to reside at home, a considerable portion of the food now exported to pay his rents would be transferred by him to Irish tradesmen, artisans, and labourers, whom he could not avoid employing to satisfy a variety of wants. Ireland would

profit *pro tanto* by the additional employment and subsistence afforded to her inhabitants. As it is, she loses, by the absence of her landlords, exactly what she would gain by their return. The remedy is,—not an absentee tax, which would fall heavily on some whose estates are the best managed, and the population upon them the best conditioned in the island, while it spared those resident gentry who neglect the poor upon their property as much as if they resided at the antipodes:—the real remedy is a *poor-law*—which (like the law of England) should compel every landlord, resident or absent, to provide subsistence and employment for the poor settled on his estate, before he touches any rent whatever.

The English absentee may be charged with unfairly escaping his just share of the general taxation. The only way to remedy this inequality is by the substitution of a direct tax on income for a portion of the taxes which, in this country, are so largely levied upon expenditure. Of this more hereafter.

CHAPTER XVI.

RESTRAINTS ON THE INSTRUMENT OF
EXCHANGE.

Injury of restrictions on the Instrument of Exchange.—Credit always employed as a medium for circulating values to a far greater extent than Coin.—Credit should be free to take what form convenience may dictate.—Just limitations of Currency.—The object, convenience, security, and stability of Value—To be obtained either, 1. By complete freedom of note issue—2. By a National Bank.—Vices of the English System.—Bank of England Monopoly.—Variations in Value of the Standard.—Proposed measure of Variations.—Their injustice and enormous extent of late years.—Suggestions for improvement of Monetary System.—Weights and Measures.—Usury Laws.

MONEY is the instrument by which all exchanges of goods are effected. Any saving in its cost is as advantageous to the productive classes among whom these exchanges take place, as an equivalent saving in the cost of their instruments of production, and goes equally to augment the net returns of industry; and any restriction on such improvements is to the full as injurious as a restriction on improved machinery or on free exchange.

In an early chapter we spoke of the great probability that from the very first commencement of

exchanges, *credit*, or the faith of one man in the engagements of another, has been largely employed as the medium of commercial transactions. The first man who said to another, 'Give me a meal to-day, and I will give one to you or to your friend to-morrow,' originated the system of credit. Want of confidence alone between man and man even now necessitates the use of money of intrinsic value, which is, indeed, a comparatively clumsy contrivance, and but a form of barter.

The inconvenience of a metallic medium for the exchange of commodities is such, that, if we were confined to it, all commerce would soon be at a standstill. Nearly all the entries in all the ledgers of all the trading classes in the civilized world relate to transactions on credit. The dealings for cash are comparatively insignificant. And if it were attempted to carry on all dealings by means of cash only, not only would all the precious metals in the world be insufficient to effect one-thousandth part of our daily exchanges, but direct barter would in most cases be found positively the more convenient method of the two.

Whether the credit given by one party to another for a fixed value to be paid within a limited period, take the form of an entry in a ledger, or of a bill of exchange—which may be considered as a similar entry made upon a loose leaf for the purpose of rendering the credit it records transferable from one person to another—or of a promissory note payable on demand to the bearer, which differs only from a bill of exchange in having no time to run and requiring no indorsement to render it transferable,—it is obvious that any restraints

upon the free use or circulation of credit in any shape among producers must have an injurious effect upon commerce, whose benefits are precisely proportioned to the degree in which it facilitates exchanges. It would seem that were government to confine its interference to enforcing the fulfilment of contracts, it might safely be left to contracting parties to judge of the degree of credit they should give to each other's engagements, and to adopt that mode of circulating such engagements which experience would prove to them to combine the greatest security with the greatest cheapness and convenience.

Where this freedom has been wisely permitted to the public, the result has been the establishment in commercial countries of *banks of issue*, that is, of parties who make it their business to facilitate the circulation of credit, by lending or exchanging their credit, which being well-known and generally acknowledged, will circulate freely throughout a considerable district, for the credit of private parties which would not be taken so readily or generally, but with which they, the bankers, take care to become acquainted. This is a simple step in the division of labour, quite analogous to the establishment of the class of merchants or carriers, in the business of circulating goods of all kinds more rapidly, conveniently, and cheaply, than could be done by their producers. The banker's profit is as fairly earned as that of the merchant or carrier; and, *where both trades are free*, it is certain that competition will keep the profits of each within the limits of what is justly due to him as the returns of his labour, skill, and capital; the

remainder of the saving effected by these several contrivances becoming, as happens with all improvements in productive industry, a clear benefit to the public. Mr. Dyer, the principal manager of the Manchester Joint-stock Bank well observed before the committee of the Bank Charter of 1832,

‘ I think merchants ought to be allowed to devise the best instrument for conducting the trade of the country which they can invent.’

‘ The whole question turns upon what credits it is proper to allow to be circulated as the best instrument for conducting the business of the nation, both public and private. In deciding this question security to the public, and steadiness of value as a purchasing power, should be had in view above all other things.’

In fact, the only justification for any interference of government with the free circulation of whatever form of money or of credit the ingenuity and sagacity of commercial men would spontaneously adopt, must consist in the greater convenience or security which some legislative regulations may be proved to confer on the instrument of exchange. We have seen that experience suggested and has confirmed the expediency of a government taking into its own hands the exclusive coinage of metallic money, in order to prevent the inconvenience of a mixed coinage, consisting of pieces of every variety of denomination, weight, and fineness, and the risks to which the public would be exposed of their adulteration. Now, to a certain extent, a similar interference may be, and probably is, equally expedient with respect to paper or credit money. It may be convenient to confine the cir-

culatation of a paper currency to certain denominations, and it may be wise to adopt regulations for securing the public from being imposed upon by worthless paper-money, as well as by false coin. The most obvious modes of effecting these objects would seem to be for Government either 1. to assume to itself, as in the case of coin, the exclusive power of issuing that kind of paper-money which experience proves to be most current as a medium of exchange, namely, promissory notes payable on demand; in other words, to establish a National Bank, or paper mint office; or 2. to content itself with limiting the denominations of paper-money, and requiring from all such banks as issue it some unquestionable guarantee for the fulfilment of their engagement to pay their notes on demand. Either of these plans, perhaps, would be equally effective for attaining the desirable objects of convenience and security from imposition.

But there is another quality, fully as desirable as either of these in the construction of an instrument of exchange—namely, *stability of value* as a purchasing power. Whatever is employed as the medium for the exchange of equivalent objects must be itself equivalent to each. If no time were consumed in effecting exchanges,—if there were no interval between the sale of one object and the purchase of another, any variation from time to time in the value of the medium would be of no consequence. If its value were double to day what it was yesterday, the only consequence would be that all goods equally would sell at one half the nominal value or price of the day before; half the quantity of money would

effect the same amount of exchanges, and the relative position of producers on either side would remain unchanged. But this condition is wholly incompatible with the use of a medium of exchange. That medium *must* remain *some time* in the possession of one of the exchanging parties before he *realizes* or exchanges it in turn for goods. In the case supposed, of a doubling in its value between one day and another, the parties in whose possession the money remained during the night would find themselves the next morning able to command with it double the value in goods which they gave for it the day before. But the possibility of such a change would prevent those who hold money from parting with it, and render it unserviceable as a circulating medium. On the other hand, if, in the same interval, a fall had taken place of one half in the value of the medium, (and it must be equally liable to fall as to rise in value,) its holders would find themselves unable to command the next morning more than half the quantity of goods which it would have purchased the night before. And the possibility of this must indispose persons who hold goods from parting with them for money, and equally prevent its circulation as a medium of commerce. In point of fact, money does not only remain for a few hours or days in the possession of parties, but contracts are entered into on credit for the payment of sums of money at very distant terms;—many for a *perpetuity* of periodical payments;—and any change that takes place in the value of the medium employed in the interval between the engagement and its fulfilment, whether a day, a

month, a year, or a century, is as complete a derangement in the terms of the contract as that just supposed.

Money, indeed, is only employed as a medium for the exchange of values, on the presumption of its remaining invariable in its value; without which it cannot be a true measure of the value of the objects for which it is exchanged. A medium for the exchange of values, which itself varies in value, is as false and fraudulent a measure of value, as a foot-rule which should vary in length would be of length, or as a pound would be of weight, if itself varied occasionally in weight.

A variation in the value of money is as treacherous and as destructive to commercial security, which is the foundation of all commercial improvement, as a variation in weight, length, or capacity, of the standard measures of each. Invariability in respect to the quality it is employed to measure is absolutely indispensable to every standard measure. Stability of value is the first and most essential requisite of the instrument employed for the exchange of values.

Unfortunately there are great practical difficulties in the way of obtaining such an invariable instrument. The precious metals which have been generally used in all ages and by all nations as the instrument of exchange, from their possessing some peculiar qualities fitting them for this office in greater perfection than any other commodity, are by no means invariable—it is doubtful whether they are less fluctuating in value than many other commodities. The paper-money which represents, and is payable in the precious metals, must vary

in value exactly with them; and paper-money not payable in metal, but issued solely on the credit of its being taken in payment of taxes by the state that issues it or declares it a legal tender, is equally variable in value, according to the amount issued as compared with the exchanges it is required to effect. Money of all kinds, like every thing else, varies in value according to the relations of its supply and demand.

On this account, when a government sets about the regulation of the monetary system of a country, the very first object for consideration should be the means of rendering its money as invariable in value as possible. Unhappily this has been wholly neglected by governments in general, and more especially by that of this nation, which, standing at the head of the commerce of the world, should have set the example to all others of an attention to this object of vital importance to a commercial state. Indeed, far from having endeavoured to secure a permanency of value for the money of this country, the government of Britain has, by a series of ill-considered interferences at various times with its paper-issue, produced the utmost fluctuation in that value, and consequently, thrown all the commercial relations of its subjects into the most deplorable embarrassment and confusion.

It is true that this mismanagement has been owing in a great degree to the general ignorance of the just principles of monetary value. But it is unfortunate that where such gross ignorance existed, *any* interference should have been attempted. Had commerce been left to supply itself in perfect freedom with its own instrument,

the instinct of self-preservation, even in the absence of sound theoretical views, would have prevented the occurrence of a tithe of the mischief which has arisen from legislative interference grounded on false principles.

In an earlier part of this little work, it was shown that exchangeable or commercial value is solely relative, and means, when used in a general sense, the command of one object over the mass or aggregate of others in the general market of exchanges—in the short phrase of Adam Smith, its ‘purchasing power.’ To be invariable in value is, therefore, to preserve the same relation to the mass of other commodities in general estimation; and in order for any particular commodity to possess this quality, it must increase in quantity—or, at least, in the facilities for its production—with the aggregate or average of other commodities; in which case alone any fraction of it will continue to command the same fraction of the aggregate of goods. It is improbable that any one commodity should possess this quality; and certainly it is impossible to foretell of any one that the facilities for its production will always preserve the exact level of the average of other commodities—and march in complete uniformity with the general progress of improvement in the arts of production. No single commodity, therefore, can be depended on as a true measure of value.

But the next best thing to obtaining a perfect measure of value, is to obtain a means of ascertaining the variations of the imperfect measure we may be compelled to employ for want of a better. Now the variations in value of any commodity

might, it would seem, be ascertained approximatively, and with quite sufficient accuracy for all practical purposes, by comparing it with the great bulk of other commodities;—by placing gold, for example, on one side, and on the other a large list of the commodities in general use, which may be taken to represent fairly enough the entire mass of goods. Take, for instance, a price-current, containing the prices of one hundred articles in general request, in quantities determined by the proportionate consumption of each article—and estimated (as they are under the standard of this country) in gold. Any variations from time to time in the sum or the mean of these prices will measure, with sufficient accuracy for all practical purposes, the variations which have occurred in the general exchangeable value of gold.

It is quite indifferent whether the change has been brought about by circumstances immediately affecting the production of gold or of goods;—whether the *real* costs of producing the one or the other have increased or diminished. The change in the *relative* facility of producing gold and goods, in either case, occasions a change in the value of gold—and, consequently, in this country, of money—equally unjust and unfair upon debtors or creditors, both parties having contracted to pay or to receive money upon the faith of money continuing to remain invariable in value,—that is, in its relations to the mass of other commodities.

On these grounds it has been proposed to correct the legal standard of value (or, at least, to afford to individuals the means of ascertaining its errors) by the periodical publication of an authentic

price-current, containing a list of a large number of articles in general use, arranged in quantities corresponding to their relative consumption, so as to give the rise or fall, from time to time, of the mean of prices; which will indicate, with all the exactness desirable for commercial purposes, the variations in the value of money; and enable individuals, if they shall think fit, to regulate their pecuniary engagements by reference to this *Tabular Standard*.

‘ Here, then, though the law continued to maintain the metallic standard in all contracts which did not contain a special agreement to the contrary, it would be open to parties to avail themselves, if they chose, of the comparatively invariable standard which the table would afford them, by declaring that their agreement should have reference to the tabular standard, or be corrected from time to time by it. The publication of such a table of reference in an authentic form would entirely obviate the disadvantages attendant on variations in the value of the metallic standard in all future contracts. The extent of those variations would be openly declared and easily ascertained. There would be no longer any deception or jugglery in the standard of value to be dreaded by those who enter upon money engagements. Such persons as continued to regulate their contracts by the metallic standard would do so with their eyes open to its possible fluctuations; and their acquiescence in the chances attendant on its use might thenceforward be fairly implied from its voluntary employment. Those, on the other hand, who wished to employ money in their contracts as a correct measure of value, and to run no risks of its variation either way,

would have it in their power to confer on the sum specified an uniformity and permanency of value, *by changing its numerical amount in proportion to the change in its power of purchase.*'

The extent to which the value of money has fluctuated in this country, effecting by each change a proportionate injury on either the debtor or creditor interest, is frightful to contemplate. It has varied in the proportion of two to one within a very few years past*. And all this time the legislature assumes it to be invariable, and enforces its employment as the sole measure of the value of other things and of all pecuniary and commercial obligations!

The extent of injury that has been thus inflicted upon different parties may be approximatively estimated, by considering the amount of pecuniary obligations at all times outstanding in this great commercial country. These, including the national debt and all other public as well as all private

* From tables of average prices drawn up by the Board of Trade, and printed in the Appendix to the Report of the Select Committee on the Bank Charter, 1832, it appears that on a comparison of the prices of the principal necessities of home production, viz. wheat, meat, coals, iron, cheese, and butter, in the years 1819 and 1830, the average fall in that interval had been thirty-five per cent. In the principal articles of foreign importation, viz. sugar, coffee, hemp, cotton, tallow, oil, timber, and tobacco, the fall had been near forty per cent. This relates to raw produce only. But the reduction in manufactured goods has been much greater; on the average, certainly not less than sixty per cent. On the whole, therefore, the gross average fall in the prices of the principal articles of consumption, raw and wrought, can scarcely have been less than fifty per cent. In other words the 'purchasing power' of money has doubled between 1819 and 1832.

engagements for the payment of fixed sums of money, can hardly fall short of from three to four *thousand millions*. A rise of one-fourth in the value of money, therefore, occurring within the mean duration of these engagements, must defraud the debtor interest to an amount about equal to that of the entire national debt. A depreciation to the same extent must rob the creditor interest of the same vast sum. Changes to this extent, and more, have occurred within the last half century, and will, no doubt, occur again, unless some means like that just pointed out are taken to obviate them, or at least to prevent any unforeseen and consequently unfair injury resulting from them—by exposing them, as they occur, to the public.

The great pressure which is now felt from the excessive burden imposed by taxation on the springs of our productive industry, is owing to the gradual rise during the last fifteen years in the value of our standard metal, gold. The currency has been on the whole appreciated nearly one hundred per cent. since the greater portion of our debt was incurred, and the present scale of our national expenditure fixed. Consequently, the burden of taxation is nearly double what it was at that time.

It is no answer to this to say, that the change has not proceeded entirely from a falling off in the supply of gold, but, in part, from the increased supply of goods of all kinds, through the increased productiveness of the labour, skill, and ingenuity of all nations, and especially of our own, exercised during a lengthened peace. Undoubtedly, our resources have increased since the war through these causes, but is that any just ground for a

parallel increase in our burthens? If our money obligations are to represent, not a fixed quantity of goods in the lump, but a fixed proportion of the produce of our industry, the main inducement to industry is destroyed—the great principle is violated which gives to the industrious the sole property in the returns of their own industry. The creditor interest, both national and private, is in that case fastened upon the productive interest with a claim exactly parallel to that of the tithe-owner on the agriculturist,—of the metayer landlord on his tenant,—of the serf-master upon his slave. It is a claim the amount of which increases with the increasing exertions and productiveness of the debtor. The injustice and impolicy of such an interpretation of all pecuniary liens upon industry are obvious. It must both check the desire to improve, and diminish the means of improvement. The producing classes—the owners of labour, land, and capital,—have a right, founded on the simple principles of natural justice, to share amongst themselves *exclusively* the *increased* produce which arises from their own increasing numbers, skill, ingenuity, exertions, and productive powers. The non-producing classes, who are their creditors for fixed sums of money, have no equitable title to any increase in the average quantity of commodities which these fixed sums command, since they contribute *nothing* towards such increase.

Take the case of a public debt. Suppose an industrious people to have pledged their resources to the payment of a debt of a thousand millions of money to certain parties. Is it just that this sum should be interpreted to mean—not a fixed com-

mand over commodities at large according to their estimation in money at the time of the contract—but a fixed *proportion* of the aggregate produce of the industry and ingenuity of the increasing community,—so that the debt should be continually increasing in value with the numbers and industrial exertions of the people? Suppose a national debt had been incurred in the time of Alfred reaching to one-fourth of the gross produce of the country in those days. Would it be just that the owners of this debt should claim a right to one-fourth of the gross produce of the country in the present day. And yet the argument we are contending against—viz., that a fall in general prices, when occasioned by a general increase of productiveness, is no injury to the producing, that is, the *debtor* class—would strictly lead to this inference.

Or, in the case of private engagements;—say B. borrows for a term of A. fixed capital at the interest of 100*l.* a year, with which and his labour he produces goods worth 200*l.* per annum. B. gets 100*l.* as the remuneration for his labour. Prices fall 50 per cent., and he obtains but 100*l.* for his goods. He has still to pay 100*l.* per annum to A. from the produce of his industry. And he clears *nothing* by his labour! Is *this* just?

Take a mixed case:—A. is taxed 100*l.* a year, and by his labour and capital together contrives to make goods which he sells for 300*l.* Prices fall 50 per cent. He gets but 150*l.* for his goods, and after paying his taxes, has but 50*l.* left for his entire profits and wages. It is true this 50*l.* will command twice the quantity of goods which 50*l.* did before; but it will only command *one-half* the

quantity of goods which was commanded by the 200*l.* of wages and profits he shared before. And, on the other hand, the 100*l.* he continues to pay the tax-gatherer, commands just twice the quantity of commodities that it did before. The relative positions of tax-payer and tax-receiver, or of debtor and creditor, are completely altered. And we must recollect that the aggregate injury thus inflicted on debtors for the benefit of their creditors, has practically been brought about by the increased aggregate productiveness of the former !

Can anything be more monstrous and insufferable than a monetary system which thus diminishes the returns of industry with every increase of its exertions ?—which actually enforces a constant penalty on the productive classes for every augmentation in their productiveness ?—which forcibly causes a reduction in wages and profits with every increase in the produce of labour and capital ? And yet such is our monetary system in the nineteenth century !

This all-important question was of little comparative moment in former days, and until the present practice was established of contracting fixed money engagements,—perpetual, or for very long terms, and of large amount. In other countries it is still of comparatively little consequence. But in this, where our national and private money engagements reach to so vast an extent, it has become a question of vital interest, and its solution ought not to be delayed an instant longer than is necessary for patient investigation and correct decision.

The existence of a great commercial country

like this, with an enormous public debt, an immense national expenditure, and a system of private credit—the extent of which is measured in thousands of millions—depends on the soundness of its monetary system.

Those who, under such circumstances, would stifle inquiry into the faults of our existing system, and forbid all attempts at their correction, on such futile pleas as ‘the risk of agitating the subject,’ act like one who lets a mortal disease prey upon his frame rather than risk the agitation of his nerves by the sight or the report of his physician. Let us not knowingly hug falsehood to our bosom in a matter of such portentous moment. Our legal and established measure of value is a false and fraudulent one. It cheats the productive classes most cruelly and unjustly for the benefit of the non-productive classes. It is a robbery of the industrious on account of the idle.

This, at least, has been its operation of late years, owing to the facilities for producing gold not having kept pace with those for the production of the bulk of commodities. But the tables may be any day turned upon the creditor interest; and if by the discovery of any peculiarly rich mines of this metal—its supply were greatly to outstrip that of other goods, the owners of money claims would suffer in turn as unfairly and unjustly from the consequent fall in the value of money, as their debtors are made to suffer now from the opposite circumstance. It is for the true interest of both parties that means should be adopted to render the standard by which their engagements are measured invariable. It is for the interest of

industry and commerce that the risk of an unforeseen change in the value of the standard should not be superadded to the other elements of uncertainty to which all industrious and commercial speculations are more or less exposed.

Besides the great and progressive increase in the general value of money which has taken place within the last twenty years, through causes affecting the comparative supply of the precious metals and other goods,—frequent and extensive fluctuations have both within this and former periods been occasioned in the value of money in this country through the mismanagement of its paper-money by those parties upon whom the legislature has unwisely conferred a more or less exclusive power of issuing it. A history of the mismanagement of the paper currency of this country during the last half century, chiefly by the great central source of issue, the Bank of England—countenanced, and, indeed, often goaded on to misconduct by the government of the day,—would be too lengthened to find a place here. We must be contented to refer our readers to a publication which treats of this subject*, and in which the great leading error is shewn to lie in the constitution and exclusive privileges of that monstrous monopoly. The Bank has at times, either for its own purposes or at the solicitation of the minister of the day, to favor his financial operations, put forth such an excess of paper as greatly to lower the value of money; and afterwards when, as a necessary consequence, a drain of bullion had for some time set in upon the

* An Examination of the Bank Charter Question. Murray. 1833.

Bank, threatening to exhaust its coffers, and break down its credit, its issues have been suddenly contracted, and prices sunk to such a degree, as to scatter ruin through the whole productive and mercantile community. These oscillations in the value of money have been repeated three or four times even within the last twenty years. The manœuvres of the Bank of England have been the secret spring of all those see-saw alternations of surprising prosperity and unexpected ruin, which through a long period of internal and external tranquillity, have upset the deepest calculations of our traders and producers, perplexed our wisest statesmen, and shaken almost to dissolution the very bonds of society. We do not mean to attribute blame to the directors of that establishment. As the managers of a great company associated only for purposes of private gain, their first duty was to exercise their enormous power over the circulation so as to secure the largest profit to their constituents, the Bank proprietary. And they were in no degree bound to sacrifice this object to what they might believe to be the interest of the public. That they have fulfilled this duty most faithfully is made evident by the fact that appears from their own returns to the committee of the House of Commons of last year; namely, that they have divided amongst their shareholders, since the year 1797, no less a sum than 17,318,070*l.*, *in addition* to the annual dividend of *seven* per cent. on their capital stock. Through all the ups and downs, which, since 1780, have kept the currency of this country in a state of almost perpetual fluctuation,—a fluctuation caused by the operations of this all-powerful company,—the Bank itself has

escaped unharmed in every instance from the sea of troubles it had itself stirred up,—has been found, indeed, after all of them, not only to have avoided damage, but to have considerably improved in its circumstances, while the destruction in every other quarter was universal. The very stoppage of that establishment, in 1797, was the source of the most enormous gain to it in the course of the subsequent period of restriction on cash payments.

The cause of all the mischief that has resulted to the public interests from these fluctuations, was the conferring a monopoly of the supply of the circulating medium of this great commercial state, (for the body that commands the supply of the metropolis commands that of the kingdom,) on a few *private* individuals, not responsible to the public, and whose interest in the matter is directly at variance (as the above facts demonstrate) with that of the public*.

* That this monopoly has been renewed for a long term of years in the first session of a reformed and professedly reforming parliament, is an anomaly—not to say a discredit to the age and country—which will before long, I conceive, be duly appreciated. There was clearly no reason for hurrying on the consideration of this question. In the present confessedly imperfect state of our knowledge on the subject of currency, to tie down the country for ten years certain to an avowedly faulty system—a system repudiated long since by every statesman of note among the Whigs, and by many among the Tories—a system so *ex facie* unprincipled as a *private* monopoly of the supply of the *pabulum vitæ* to a commercial state, money—was surely a rash measure,—not to use a stronger epithet. The check of publicity imposed by the new charter, it is to be feared, is very insufficient for its avowed object. The public have a right to *instant* information of the changes that are at any time intentionally made in the quantity, and consequently the value,

It is of essential importance to the public that its supply of money should be steadily and accurately proportioned to the demand for it as the instrument for effecting commercial exchanges ; without which it cannot remain invariable in value. Two modes might be adopted for securing this steadiness in the supply of paper-money.

1. The principle of free competition among private issuers—that principle which so admirably performs the office of securing a steady and effective supply of *all other goods* in almost exact proportion to the demand for them*. In Scotland, the

of the circulating medium. No twenty-four merchants should be permitted to retain for weeks the exclusive knowledge of a circumstance which must affect the prices of all markets and the value of all property, funded or otherwise. But even were publication rendered immediate, the Bank has *bought the right* to work the circulation for their own profit, in utter disregard of the benefit of the public ; and the directors are bound to pursue the interests of their constituents, let the nation suffer as it may.

* All-important as is the due supply of money to the commerce of Britain, it is yet not more important than the due supply of the necessities of life, bread and meat for example, to the vast population of Britain's metropolis. But what would be the reply to any one who—insisting on the disturbances and convulsion, the suffering and danger, that must ensue from any considerable deficiency of these necessities to such a vast population, and on the ruinous waste which any excess must occasion—should, with a view to secure the precise and equable adjustment of the supply to the demand throughout the year, propose to charter a company, or appoint a government board, with the exclusive privilege of supplying London with bread and meat? Would it not be answered, that the proposed method is exactly the one most likely to occasion inequality in the supply—that the neglect or mistakes, the indiscretion, or ignorance, or fraud, of the few individuals to whom the management of this important

freest competition among note-issuing banks is found to afford a currency of unquestionable security. Its value is, of course, necessarily liable to vary with that of the money of England, whose markets must exercise a paramount influence over those of the north.

2. Were government to take to itself the sole supply of paper-money with a view of securing the steadiness of its value, it is probable that by bending

business must be intrusted, might, and in all probability would, occasionally compromise the existence of a million and a half of people, and bring upon this mighty centre of wealth and industry all the evils of alternating scarcities and gluts of provisions? Would not the proposer of this scheme be referred to the *fact* of the mode in which this great population is supplied with its daily food,—quietly and effectually—without bustle, without organization, or even combination—without excess, as without waste—the supply so equably adjusted to the demand, that the prices of butcher's meat and bread do not perhaps suffer a variation of the fraction of a farthing throughout the year, which may not be accounted for by causes affecting the original sources of supply. And what is it that performs this daily miracle,—which only does not excite our continual admiration and astonishment because it is self-effected, with all the order, ease, and certainty, of a great natural process? Why, *the principle of competition*;—the free rivalry of thousands of individuals, each acting in his own sphere, each actuated by the unerring instinct of self-interest, to sell as much as he can, and yet to provide no more than he can dispose of without loss—to keep the supply full, but to prevent excess.

Now is there anything to prevent this simple principle from working quite as beneficially in the supply of this great metropolis with money, as with the necessities of subsistence? If freedom of butchering and of baking be the means of ensuring an exactly adequate supply of bread and meat to this vast market—why would not freedom of banking be the means of affording to it an equally regular, safe, sufficient, and methodical supply of money?

its efforts honestly and exclusively to that object,—in the adjustment of the supply to the demand, it might be successful. It is objected that so vast a power over the monetary system of the country is liable to be abused by an unscrupulous minister, or by one even of upright intentions, who at a crisis of emergency might think himself justified in breaking in upon the sound principle of currency to rescue the state from a position of embarrassment and difficulty. It would not, however, seem to be difficult so to hedge round the exercise of this power by the checks of responsibility to parliament and the public for the observance of the very plain and simple rules which would be sufficient for the purpose, as to prevent its abuse. This would be the plan of a national bank,—a plan which besides the steadiness of value it may be expected to confer on the circulating medium, has other great advantages to recommend it; viz. its complete security from commercial panic; and the profit which it will bring in to the public, from the interest of the notes it circulates.

Either of these two systems, then, would bid fair to secure the great requisites of a sound credit currency—viz. convenience, cheapness, unquestionable security, and steadiness of value. The system we have unfortunately adopted secures none of these advantages. By establishing a single source of issue (for the metropolitan district, which commands and regulates the rest) we do not obtain that security for a steadiness of supply which a national establishment might afford, because the monopoly is conferred, not upon a body of public officers bound to look to no other end than the

public welfare, but on a body of private money-dealers associated for no other purpose than that of working the currency in such a way as shall realize the greatest amount of profit to themselves, and having a direct pecuniary interest in creating, not in preventing fluctuations. Nor do we render the source of supply independent of government—as the frequent instances of misconduct to which the bank has been instigated by the minister of the day abundantly proves. At the same time, we deny ourselves the advantage which competition would afford to the public of security for a full supply of the most convenient circulating medium at the lowest possible charge; and we equally lose the advantage that might result from restriction of security against excessive issue. We have contrived a system which exposes us to all the contingent evils of both the others, while it deprives us of all their advantages. We farm out the exclusive supply of our circulating medium to an irresponsible private company, and we expect that they will not employ their power, as all other monopolists have ever employed similar exclusive privileges, in working the supply up and down so as to profit from its oscillations at the expense of the public! We *sell* the management of the currency to a joint-stock body of money-dealers, and flatter ourselves they will use it for our interest instead of their own!

An ill-considered and faulty monetary system most seriously and severely affects the condition of industry.

What, in fact, are the chances to which a farmer, trader, merchant, or manufacturer, has been ex-

posed of late when investing his capital in some productive occupation—exposed, too, during a period of profound peace, which should have been attended by complete security? The natural circumstances likely to affect the demand and supply of the article in which he speculates, he is prepared for, and calculates upon. But besides these unavoidable contingencies, his best-laid plans have been liable to complete overthrow by the hidden circumstances that were constantly at work to *alter the value of the money in which he makes his engagements*. First, the gradual but relentless rise in the value of *the metallic standard* since 1810 has been working against him throughout. Next, there have been the frequent cross fluctuations in the value of that same standard, arising from casual circumstances temporarily affecting its relative demand on the continent and in this country—an altered balance of trade—a sudden importation of foreign corn—a revolution in a foreign state causing a hoarding of coin—preparations for war, occasioning a demand for gold to fill the military chests. For these latter fluctuations we are indebted to our peculiar standard—gold; which from its superior portability is employed in preference to silver, in the settlement of commercial balances. Thirdly, is to be superadded the results of the mismanagement of our paper circulation at home by those who have become possessed of a supreme power to contract or expand it, as they please, to almost any extent. Under the joint action of these several causes, we have seen, within a few years past, prices fall and rise alternately by twenty per cent. at a time—all debts forcibly aug-

mented and lessened in proportion, and all money contracts substantially violated—one class defrauded to enrich another, and the whole course of business repeatedly deranged. No one engaged in trade has been able to calculate the amount of his income for a single year—no man could feel any confidence of getting back the capital he had embarked in any productive employment which required time for its accomplishment. The different branches of business have been merely different games of chance; and confusion, dismay, and panic—such, perhaps, as were never witnessed in any country not overrun by a victorious enemy, nor devastated by some great natural calamity—have been created in this, year after year, by sudden variations in (that of which the very essence *ought to be* absolute invariability) the value of money.

And yet we boast of the security of our property, and the protection afforded by our laws to the gains of industry! It seems to us quite evident that our radically defective system of banking and currency can no longer be tolerated after the light has once been let in upon it;—that the monopoly of the Bank of England, upon which the whole awkward and ruinous structure rests, can be borne with no longer than the law, as at present unhappily fixed, renders imperatively necessary. In principle it is directly opposed to all sound theory. In practice, it has been productive of the most disastrous results to the commerce and industry of the nation; and, from its nature, it must continue to produce those results until a better system is substituted. The great question is, what that system ought to be?

Without going at large into the reasons which support their expediency, and which are to be met with in detail in the work already quoted, the author will place here a summary of the alterations in our monetary system as now established by law, which he considers essential for placing it on a sound, safe, and useful footing.

1. The substitution of the ancient silver standard in use previous to 1773, for the far more vacillating and inconvenient gold standard first established as the *sole* legal standard of value in 1816.*

2. The abolition of the monopoly of the Bank of England, and the substitution either of a system of freedom of competition among note-issuing companies of such breadth and credit as would secure the confidence of the public, as in Scotland;—or, if the danger of so great and sudden a change from the present system, and other arguments in its favour already noticed, should render unity of issue preferable—the establishment of a National or State bank—disconnected with private banking or other business, and managed by a board of parliamentary commissioners, who should be appointed in such a mode as may remove them

* The rejection of silver as our standard of value in conjunction with gold has raised the value of the standard by the extent of the difference now existing between the market and the Mint price of silver, or by about eight per cent. This is a perfectly gratuitous and uncalled-for enhancement of the national and all private money-burthens. It was pleaded in 1819, that we were bound to restore the ancient standard at whatever sacrifice. But the *ancient* standard, which was silver, has not been restored; and the omission of silver has augmented unnecessarily and unjustly the sacrifice that has been forced upon us.

most effectually from the influence of the minister. The notes of this bank should be legal tender, accepted of course in payment of taxes; and their value preserved at par with the standard, either by convertibility into *ingots*, according to the plan of Mr. Ricardo, at the source of issue—or by making it the duty of the board to regulate their circulation from time to time by the price of the standard metal in the bullion market.

3. The issue of paper by banks in the country, if permitted at all, should only be allowed on the deposit of securities to its full amount, in guarantee of its payment.

4. A tabular statement of the average price of the mass of commodities should be published at proper intervals, by competent authority, as a *measure of exchangeable value*, by reference to which the public may be enabled to detect, at a glance, all future variations in the value of the legal standard.

These improvements combined, will, we are inclined to think,—and these only,—afford to this great, industrious, and commercial people, what it has a right to demand of a government which undertakes to regulate by restraints the instrument of exchange—a *sufficient ample supply* of a *perfectly secure* circulating medium; and, if not complete invariability in its value, as near an approximation to this important quality as is obtainable, together with the means of detecting and guarding against injury from such variations as are inherent in every standard measure of value which consists of but a single commodity.

A bad system of weights and measures is an injury to commerce, very similar to a bad instrument of exchange or measure of value. There is much room for improvement in our present system, and it is to be hoped that this will not long be neglected. The proposal made by Mr. Vernon to direct the sale of all grain by weight instead of measure, is very deserving of attentive consideration.

In commenting upon the existing restrictions on the instrument of exchange, the usury-laws are not to be overlooked. Their absurdity and mischief are, however, now so generally recognized, and the probability of their speedy repeal is so great, that it is needless to dwell upon the subject.

CHAPTER XVI.

RESTRAINTS ON THE CIRCULATION OF
LABOUR.

*Law of Settlement.—To be counteracted by giving facilities
to Migration.*

THE law of parochial settlement in its present form operates very perniciously in preventing the free migration of labourers from one part of the kingdom to another, according to the shifting demand for their labour. It ties them down in masses to particular and very narrow localities; where they are certain of a maintenance, although unable to find employment, and consequently indisposes them to seek it. It equally prevents the employment of industrious workmen in parishes where they have no settlement, by forcing the employers within those localities to find work for their settled labourers, however idle and unworthy. The evil has been increased of late in many places by the introduction of the labour-rate. Were this system rendered general and permanent, as some persons wish, the mischief would soon reach its climax; every labourer would be adscript to the soil, and soon assume the idle, sulky, and hopeless character of the serf. Industry would have received her death-blow.

It is, perhaps, more easy to find fault with the

law of settlement than to correct it. Some system of settlement is obviously indispensable in a poor-law. It has been strongly urged that birth alone should be permitted to confer a settlement. But this will leave the greatest evil of the present law, unchanged. Labourers would still cling to the place of their birth, and refuse to leave it in search of employment. The principle of the Scotch law, which makes industrious residence for a certain number of years give a claim to settlement, seems to be preferable, though not wholly without its disadvantages. It is remarkable, that in Belfast and other towns of the north of Ireland, where the inhabitants have been forced to adopt a voluntary poor-rate, this is the principle on which they have found it advisable to limit the claims upon their funds.

The tendency of every settlement-law must be in some degree to check the spontaneous migration of labourers. Though it cannot be removed so long as the poor-law remains, its influence may be effectually counteracted by an improvement in the mode of employing and treating parish paupers. When an improved administration of the poor-law shall have drawn a broad line of distinction between these and independent labourers—when parish work has become, as it ought always to be, the most irksome and the worst paid of any—and independent labour, as a consequence of this and other improvements, is more amply remunerated—there will, probably, be no further stimulant needed to induce the labourer to quit his parish in search of work, nor any difficulty in his obtaining it.

But though it may be expected from a labourer

unable to procure employment within the parish where he resides, that he should seek it elsewhere within a moderate distance, the very poverty under which most labourers in such circumstances are suffering, must, generally, prevent their having the heart or the means to travel any great distance for this purpose. Still less can it be expected that any number of labourers in this situation should possess the means of removing themselves and their families to other and distant countries, however strong the inducement offered by the demand for labour and high wages there, or however anxious their wish to avail themselves of this mode of bettering their condition. On this account, it is highly desirable that parishes should be empowered to defray out of their rates the cost of the emigration of such of their settled poor as are willing to accept aid of this nature. And, indeed, as has been already noticed, it would be well to go farther, and permit parishes to refuse more than temporary relief to able-bodied paupers who are unwilling to emigrate; under such securities against the abuse of this power as may be readily devised. The destitute labourer who applies to his parish for work and relief to save him from starvation, can have no ground of complaint if he is offered a conveyance to those parts of his Majesty's dominions where work is plentiful, and wages high—where every industrious labourer can command all the comforts and many of the luxuries of life, and look forward to still brighter prospects.

It is to be hoped that before long a comprehensive and well-organized scheme of colonization will be established by government, such as

has been already more than once alluded to in this work, having for one of its principal objects to provide for the regular and methodical conveyance of the surplus labour of this country to supply the deficiency in our colonies. Were the expense shared between the parishes and the government, the former would enter most readily into the scheme, since they would be able to get rid of able-bodied paupers that are now a permanent incumbrance, for less, perhaps, than one year's cost of their maintenance here in idleness*. The government, on the other hand, would be secured in the full ultimate repayment of its advances for this purpose, from numerous sources which the process would create, such as the increasing price and sales of waste lands, and the increased revenues which may certainly be anticipated, both in the colony and mother country, through the enlarged commercial intercourse between them that must follow every addition to the population of the former. If these sources of repayment were doubted, (though we cannot see how they can be doubted,) a system of indenture might be adopted, which would secure the repayment by every labourer, within a limited period, of a moiety of the cost of his emigration, out of the surplus of his earnings†.

* Under judicious arrangements, the cost of emigration is absolutely insignificant when compared to that of keeping them at home. Mr. More O'Farrell relates the case of an Irish landlord, who, in 1831, sent twelve families, in 1832 fifteen families to Quebec, at an average cost of only 2*l.* 10*s.* per head, *including* passage, provisions, clothing, and from 10*s.* to 20*s.* put into the pocket of each on their arrival. They have done well. See Report of Committee on Agriculture, qu. 10718.

† See, for a detailed plan and calculations of its expense, the Quarterly Review, vol. xlv. p. 372.

We repeat that since the necessary machinery of the poor-law, and other circumstances in our artificial and complicated social position, unavoidably tend to check the free circulation of labour to meet the demand for it, there arises a strong necessity for the adoption of measures of a nature to counteract this tendency, by *facilitating* the adjustment of the supply to the demand. And above all other contrivances for this end, we look forward earnestly to the adoption of a permanent and general scheme of colonization. Nothing is wanting, we are confident, but candid inquiry to remove the prejudices with which this subject has been unfortunately surrounded, and to convince the public of its paramount importance to the interests of individuals, of communities, and of mankind at large. The time cannot be far distant when the noble scheme of a systematic emigration from all the over-peopled parts of the earth to the under-peopled, preserving health to the mother countries by moderate depletion, and invigorating infant colonies by the infusion of full-grown labour, will be recognized as the true political wisdom of all advanced states, and generally adopted by them; when an increase of population, instead of being deplored and discouraged by short-sighted statesmen and philosophers, will be hailed with delight as the means of adding to the sum of human happiness, and of extending the empire of civilization over the globe.

CHAPTER XVII.

EXCESSIVE AND MISDIRECTED TAXATION.

History and Progress of Taxation in Britain.—Limited only by the resistance of the people. Funding system.—Its errors.—Pressure of the National Debt on Productive Industry.—Financial mismanagement.—Extravagance.—Misdirection of Taxation.—True principles of Taxation.—Expediency of commuting the Taxes on Industry and the Comforts of the Poor for an Income Tax.

A PHILOSOPHICAL history of taxation would form an interesting and important work. Here we can find room only for a glance at the subject. In feudal times the monarch's own lands furnished his domestic articles of consumption; and the ordinary expenses of the state were defrayed partly by fines and forfeitures casually accruing to the exchequer, partly by customs duties on merchandize. The expenses of wars and other extraordinary emergencies were either provided against beforehand by the accumulation of treasure during peace, or by subsidies, aids, and temporary imposts.

Early in the thirteenth century we find England already fertile in taxes. The 15ths and 20ths seem to have commenced under Henry III. In 1225, a 15th of all moveables both of the clergy and laity was granted to the king; war horses, armour, ready money, and apparel being alone excepted. The valuation, which was made by the chief men in

each township, and levied by the sheriff, seems to have been moderate. But when it is considered that in those times almost all the capital of the country consisted in moveables, it will appear that these levies of 15ths and 20ths not unfrequently repeated, must have borne almost as heavily on the productive resources of the people as the taxes of the present day. At a later period, (in the beginning of the 14th century) direct taxes were levied bearing a still higher proportion to the income of those charged with their payment; and the duties were equally exorbitant. In 1208, parliament, among other grievances, remonstrated against the 40s. a sack upon wool; and stated that the wool of England amounted to almost half the value of the land, and the duty on it to one-fifth of the whole value of the land. The insatiable avarice and oppressive tyranny of the Tudors caused the constant imposition of fresh taxes. In 1531 a moiety was taken of all the goods and lands of the Church, and yielded nearly half a million, equivalent to five millions of the present currency. And it has been computed that the lands of the monasteries and other religious foundations seized by Henry VIII. would now be worth six millions annually.

But the growing spirit of the people of England at length roused itself against the arbitrary imposition of such severe burthens. Hampden's refusal to pay his assessments of shipmoney was the spark which lighted a wide flame of resistance; and the success of the Great Rebellion demonstrated to kings the danger of pushing their machinery of extortion beyond what the patience of

an industrious and well-disposed, but spirited people will bear.

The lesson, however, then read to governments does not appear to have caused any material lightening of the national burthens in the subsequent reigns. It would seem, indeed, that even in this nominally self-taxed country, the only real limit at any time existing to the amount of taxation imposed upon the people has been that of their patience under the infliction. And it may well be doubted, whether the much vaunted constitutional check upon the extravagance of government which is supposed to reside in the exclusive prerogative of the Commons to grant or withhold the supplies—so jealously guarded as the cornerstone of our liberties,—has practically operated to any great extent as a protection to the people from excessive taxation. It is remarkable, that every formal recognition of this principle of self-taxation has been followed by an increase of taxes. The expenditure of the Protectorate averaged twice as much as that of the preceding reign. And the taxes which are at present considered most onerous,—the house and window duties, the excise on malt, hops, glass, spirits, &c. as well as that fatal financial invention, the national debt, commenced with the glorious Revolution, and the concession of the Bill of Rights. The total expense of king, government, army, and navy during the reign of James II., was considerably under 2,000,000*l.*, whilst the revenue spent by William III. in the first twelve years after the revolution, namely from 1688 to 1700, was 65,987,566*l.*, or an average of five

millions and a half! We think we can perceive symptoms of a similar tendency to profusion in the present day. Certainly enormous grants of money have been made in the first session of this reformed parliament, such as an unreformed house, —more doubtful of the confidence of the people— would scarcely have ventured upon.*

The only real limit to the extravagance of parliament has been all along, and still is, that which checked the rapacity of the Tudors and the Stuarts, namely, the resistance of the people —the open threat of refusal. The people have continually been made to pay all that they have been willing to pay without breaking out into absolute rebellion.

We need scarcely observe on the injustice and impolicy of taxing a nation beyond the fair value of the services rendered by its government. Whatever sums are needed to defray the necessary expenses of the state for the due administration of justice, the defence of the country against foreign foes, and the protection of persons and property—are expended productively, and in a manner highly conducive to the national welfare. But all beyond this is so much taken from productive to be expended in unproductive channels of employment—

* The phenomenon is common to other countries as well as England. In France, the taxes raised by Louis XVI. did not reach 24,000,000*l.* a year. The National Convention increased the expenditure to 200,000,000*l.* in 1793. The expenditure of Charles X. was about forty millions; that of their Citizen King sixty-four. The explanation seems to be, that a popular government can venture to take more from the people than an unpopular one; and that *every* government takes as much as it *dares*.

so much abstracted from the industrious and economical to be wasted by the idle and extravagant. If left in the pockets of the people, that sum would have germinated and borne a crop of future wealth. When given to sinecurists, undeserving pensioners, or overpaid placemen, it is consumed by them in a way which leaves nothing behind, but an increased appetency for further plunder of the public.

One reason for this customary extortion on the part of the taxing engine, is the circumstance that no gauge exists for measuring the capacity of the country for bearing taxation other than its willingness to contribute taxes. No pains has ever been taken by the legislature to ascertain the real taxable income of the country, and thus afford a test of the comparative pressure of the national burdens from time to time. It is most discreditable to the government upon whom the duty naturally devolves of instituting such inquiries, that statisticians who are desirous for any useful purpose to form an estimate of the aggregate property, rental, or income of the country, are forced, even at present, to have recourse to the property-tax returns of the date of 1815. No time should be lost in taking the necessary steps to remedy this deficiency of the most elementary information from which a just scheme of taxation can be framed.

Since the revolution, as we have said, a new element has been introduced into the system of taxation of this and other countries; the funding system. By it the revenues of future years are expended in anticipation, and posterity charged with the cost of

measures executed by the government of the day. This is, at best, a very questionable method of defraying the necessary expenses of extraordinary emergencies. The *right* of existing generations so to burthen the industry and property of their successors, is very doubtful. It has been strongly argued that the sums necessary for even the most extraordinary expenditure should be, in wisdom and justice, always levied within the year. But if it be admitted as a good principle to spread the burthen of such extraordinary costs over several years, it by no means follows that it should be made perpetual. On the contrary, such a system is evidently indefensible. If it had been pursued in the past ages of our history, we should now be paying the expenses of the wars of the Plantagenets, the Tudors, and the Stuarts, as well as of the Hanoverian dynasty. The injury which results from thus anticipating the resources of a country is apparent from the consideration that the capital contributed to loans is expended unproductively—in purchasing stores, or providing the instruments of war,—that is, on perishable commodities. The whole debt was irredeemably spent as soon as it was raised; so that had it been levied at once by a direct tax on the then existing property of the country, it would have left just as much disposable and productive wealth behind: but it would have left this national capital free from the enormous charge upon its net annual returns which now constitutes the National Debt—the interest of the sum then taken up and consumed. This interest, or a large proportion of it, at least, had it been left in the hands of the

owners of the national capital and labour by whom it has been always paid, would have been by them accumulated in a productive shape, and would have formed a substantial addition to the aggregate receipts of the productive classes, in place of, as now, a grievous subtraction from them;—it would have formed a *plus* instead of a *minus* quantity in the sum of the national wealth.

This is the great evil which has arisen from the funding system; and had it not been for the wonderful energies of the country in accumulating new capital, in spite of this continual abstraction from the only fund out of which capital is ever accumulated, viz. profits and wages, general poverty and ruin must have been its result.

It is often argued that there is no positive diminution of the national wealth occasioned by the payment of 28,000,000*l.* a year to the national creditor;—that ‘it is, in fact, only a transfer of so much money from the pockets of one part of the public into the pockets of another part of it: so that no public benefit could arise from a reduction or abolition of the debt*.’ This, however, is a very narrow and short-sighted view of the effect of the debt. The interest of the debt, like all taxes, can only be paid out of the three sole sources of the national income, rent, profits, and wages. Its abstraction leaves, therefore, so much the less behind to be divided among the classes concerned in production; and by diminishing to that extent the net returns to industry, it lessens *pro tanto* the inducement to industrious exertion, at the same time that it lessens to the same extent the means remaining in the hands of the

* Parnell, p. 276.

productive classes for giving effect to their industry. They may, it is true, borrow these means from such among the national creditors as choose to save a portion of their income. But they must pay an interest upon those loans, and this forms a new deduction from their net returns, and a proportionate discouragement to production.

Again, it is said, that the public derives some advantage from the debt, by its affording with very little trouble and expense the opportunity of investing money in stock with the certainty of receiving the interest upon it on a fixed day, and with the power of getting immediate possession of the principal whenever it may be wanted*. But this advantage would be as fully derived from the investment of an equal capital in a productive instead of an unproductive manner. Let us, for example, suppose the capital of the debt, instead of having been spent on wars, had been expended (as it probably would have been, if left in the hands of its original owners) in productive speculations;—such as canals, railroads, docks, harbours, shipping;—in enclosing and reducing to cultivation the wastes of this island, of Ireland, or of our colonies;—many of these investments would offer securities as readily available in the market when their owner wished to realize or change the disposition of his capital, as the funds. But in what a different position would the resources of the nation stand, if the twenty-eight millions for the interest of the debt, instead of being a charge upon the annual produce of industry, were, as in the supposed case it would be, an addition to it!

* Parnell, p. 277.

Although the immense efforts that have been successfully made in the last forty years to extend industry and increase production have enabled us to bear up against the pressure of the funding system without being absolutely crushed by it, yet it by no means follows that they have tended to counteract the evils of that system, still less to convert them into an advantage, as some writers paradoxically contend*. The plain fact is that the interest of the debt is a subtraction to its whole extent from the net annual returns to capital and industry invested in productive occupations, uncompensated by any circumstance attending its mode of levy or expenditure.

* Mr. M'Culloch says, "The increased exertion and parsimony which were produced by the taxes during the war, make it extremely doubtful whether the capital of the country would have been materially greater than it is, had the general tranquillity been maintained from 1793 to the present time." (*Wealth of Nations*, vol. ii. p. 180, note of the Editor.)

We think it more than doubtful whether excessive taxation has any such good effects as are here attributed to it. Parsimony it produces doubtless—that is, a forced privation of enjoyment—but we do not see how the taking away one half of a man's income can lead him to make a more profitable or productive use of the remainder. The increased productiveness of the country is, in our opinion, owing rather to the improvements in machinery and the processes of production consequent on increased knowledge and intercourse, than to the stimulus of excessive taxation. We do not observe that the excessive taxation of the Hindoos renders them more industrious; but just the contrary. The doctrine is a dangerous one, and we believe false. Necessity is not the only stimulus to exertion—nor even the strongest. The desire to gratify new tastes, the anxiety to accumulate wealth,—the emulation of display,—are more powerful incentives to industry, ingenuity, and perseverance, than want and privation.

We continue to bear it, it is true, but with difficulty and much suffering. And, as Sir H. Parnell justly remarks, "if the expenses of future wars are to be provided for by fresh loans, and if each war add some hundred millions to the debt, and some ten or fifteen millions of permanent taxes to those we now have, no new efforts to extend industry and production will be able to counteract the effects of the kind of taxes which must, under such circumstances, be imposed. There must be a limit somewhere to taxation, beyond which, if it be carried, national decay must follow, and surely a debt of nearly 800,000,000*l.*, requiring 28,000,000*l.* of taxes for interest, must have brought the country a long way in the course of approximating to that limit*."

* Parnell, p. 278. The following table shows the concomitant increase of taxation and of the public debt since the Revolution.

Years.	Taxes raised in Great Britain.	National Debt.	Interest on Debt.
	£.	£.	£.
1688	2,000,000	—	—
1710	5,020,000	50,000,000	3,230,000
1750	8,525,540	72,178,000	2,425,000
1780	10,265,405	142,113,264	4,933,000
1790	16,815,895	228,231,228	9,767,333
1800	34,069,457	451,699,919	17,381,561
1805	50,555,190	549,137,068	22,141,426
1810	67,825,595	631,369,168	24,246,946
1815	71,153,142	848,284,000	31,576,074
1820	55,063,093	848,394,804	31,157,846
1825	52,919,280	843,391,875	28,060,287
1830	50,414,928	—	29,118,858
1831	46,424,440	—	28,341,416

The evils of the funding system were enhanced, and the pressure of the debt enormously increased, by the careless and unscientific manner in which the loans were contracted. Instead of simply borrowing the sum required at the current rate of interest, and retaining the power of paying off the principal, or reducing the interest, whenever money could be borrowed on lower terms, our finance ministers, including Mr. Pitt, from the accession of George II. down to the close of the late war, created a vast nominal debt, nearly double of the sum actually borrowed, and bearing a low rate of interest; thus putting it out of the power of succeeding governments to reduce the interest of the debt (which, in fact, is the debt itself) as the current rate of interest fell in the market. In consequence of this fatal blunder we are now annually paying at least a third more to the national creditor than would have been owing to him had the loans been contracted for at the market-rate of interest. In other words, a perpetual charge of near *ten millions* per annum has been entailed on the nation by this single mistake of our finance ministers,—a signal instance of the mischief that may result from mismanagement of public business.

Another equally ruinous error was the borrowing upon interminable, instead of terminable annuities. Had the latter principle been adopted, and annuities terminable in thirty or fifty years been sold instead of perpetual stock, half the debt would by this time have expired, and the remainder would be in a course of gradual extinction.

The rise in the value of money, already commented upon, has, likewise, tended very consider-

ably to enhance the pressure of the debt since it was incurred ;—an evil which should have been foreseen and provided against at that time.

When to the effect of all these multiplied errors of our financiers in augmenting the direct burden of taxation, we superadd that produced by their needless and unprincipled extravagance—especially during the late war, in subsidizing foreign powers, keeping up excessive and unnecessary establishments, military, naval, and diplomatic, in every quarter of the globe—providing by pensions, sinecures, and overpaid and useless places, for the scions and dependents of the nobility, or of such as possessed parliamentary interest—and building tasteless and useless palaces for the sovereign—it becomes evident that much more than half of our existing taxation is surplusage, the result of unnecessary expenditure beyond the legitimate wants of the state, or of financial errors—in one word, of the *mismanagement* of past governments.

But neither the nominal amount of taxation, nor even the value it commands, will afford a true measure of its pressure upon the resources of the nation. The *misdirection* of taxation has inflicted to the full as much injury as its excessive amount.

We have already, in treating of the impolicy and injurious tendency of taxes on the materials of manufacture, adverted to the principles on which taxation ought to proceed, in order to place the least possible difficulty in the way of the increase of the national wealth.

The leading general principle should be to tax wealth, after it has been created, not farther than is unavoidable during any of the stages of its

creation. The latter policy, which has been followed in many parts of our present financial system, is like that of plucking unripe fruit, or cutting green corn. It is to divert the sources by which the industry of the nation is nourished, and to destroy the germs upon whose fructification its income depends. Of this mischievous nature, besides the taxes already mentioned, are those on marine and fire insurances, a portion of the stamp duties, the duty on advertisements, and that on newspapers.

Customs duties, not so high as to encourage smuggling, when levied on articles of import, not used as the materials of subsequent industrious operations, nor entering into the category of necessities of subsistence for the labouring population, form one of the most legitimate sources of a national revenue,—certainly the most easy of collection, and the most willingly paid. But *heavy* duties on articles in such general use, and approaching so closely to the character of necessities, as tea, coffee, sugar, currants and raisins, and some others, are not only destructive of the comforts of the people, but actually less productive sources of revenue than they would be if materially lightened.

Excise duties, if levied solely on articles of luxury, as spirits, (we cannot admit malt, beer, or soap into this list,) are perhaps advisable; as are certainly the assessed taxes on servants, carriages, horses, dogs, and sporting licenses. The window-tax and house-tax are so unpopular that the government will be compelled to take them off; although, if fairly levied, they were by no means

the most objectionable imposts on the statute-book.

The taxes we have mentioned fall upon the consumers of luxuries, that is, upon the wealthy. And inasmuch as they are more readily and willingly paid, they are preferable to a direct tax upon income. But since such taxes on the expenditure of wealth are not found sufficient to provide the whole of the necessary revenue, it is surely far more advisable to supply the deficiency by a direct tax on income or property, than to continue those obnoxious imposts by which the production of wealth is impeded, and the poorer classes oppressed. A tax on income has the great advantage over all other taxes of making the absentee who consumes his income abroad on untaxed commodities, and the miser who hoards his income without spending it at all, contribute something at least towards the expense of protecting their property; an expense which is now unjustly placed upon others.

The only true justice in taxation is that every one be made to pay in exact proportion to his means;—and this is to be more accurately effected by a tax on *income* than any other. Such a tax admits of *graduation*, which is essential to the adjustment of taxation to the facility of payment. To a man who expends an income of 200*l.* a-year it will certainly be a far greater sacrifice to pay a given percentage on his expenditure, than to one who expends an income of 2000*l.*, and the latter suffers more from such a tax than one who expends 20,000*l.* per annum. Taxes on expenditure, or *indirect* taxes, press on this account with the greatest severity on the least wealthy classes.

The principle of graduation was admitted in the income-tax levied during the war; from which all incomes below a certain amount were exempted. It is clear that the same principle which wholly exempts the lowest class of incomes, requires the partial exemption of the class only a little removed above them, and so on, in a progressive scale. The same principle has long been recognized and acted upon in the assessed taxes, on houses, windows, horses, carriages, servants, &c. as well as in the stamp duties. Far from being a novelty, therefore, (as might be supposed from the outcry raised against the proposition when applied to a property tax,) it is the established principle of all our direct taxation.

It is objected that a graduated income-tax may be so framed as to reduce all incomes to one level; but this is an objection only to an excessive and too rapid graduation. It might as reasonably be objected to the principle of taxation itself, that, if carried to excess, it would absorb all property.

The argument sometimes urged against a property-tax, that it will check the accumulation of wealth and drive capital abroad, vanishes when it is recollected that it would be imposed in substitution of other existing taxes on industry and expenditure, which are much greater impediments to the employment of capital and the accumulation of wealth in this country.

Not the least of the advantages of a property-tax is, that it would probably lead, before long, to the extinction of a part of the national debt, according to some such plan as that of Mr. Heathfield.

It would be difficult to imagine the relief that must be afforded to the productive industry of Britain by the removal of a large portion of this heavy burden upon its annual returns.

On these grounds it is to be hoped that the present liberal and enlightened government will, without delay, introduce a system of direct taxation in lieu of the malt and house taxes, and others which still press on productive industry or the comforts of the poor. Lord Althorp and some of his colleagues have lately expressed themselves favourable to the principle of such a mutation of taxes, and we are sure that it is a change most anxiously desired by the great body of the people. The details of the tax,—the proportions in which it should press on income from permanent and from perishable property, from capital embarked in trade, or in professional skill, &c.—and the question as to its scale of graduation—are subjects on which we cannot find space to enter.*

The sooner such a commutation takes place the better. The masses are become aware of the disproportioned pressure of the existing taxation upon them. The simple and undeniable proposition that taxes on articles of consumption are paid by the consumer, makes itself easily sensible to their capacity. They are no longer unacquainted with the amount of the taxes paid by them on many of the principal articles of their consumption,—articles approaching to the character of necessities of life—malt, hops, tea, sugar, coffee, cur-

* Mr. Sayer's volume "On the Justice and Expediency of an Income or Property-tax," contains valuable materials for the decision of these points.

rants, soap—and these taxes cannot much longer be maintained at their present rate. It would be the part of a wise government to anticipate the wants of the people it rules over, and not, as has been too much the practice hitherto, to delay just and reasonable improvements until they are extorted by the threatening attitude of an exasperated people. “Early reforms,” said Mr. Burke, “are arrangements between friends;—late reforms are capitulations with an enemy.”

The general anxiety lately evinced for a reform in parliament was founded on the expectation that it would immediately lead to a great reduction,—if not in the amount of taxation,—at least, in its pressure on the industrious classes. But direct retrenchment has been already carried almost to the extreme margin of security for the efficient discharge of the public services. There remain scarcely any means of lightening the pressure, but by a shifting of a part of the burden from the shoulders of the poor and the industrious to those of the wealthy and the idle. The repeal of the property-tax in 1815, was a flagrant abuse of their power by the higher classes. Now that the power has left them, and been transferred to the middle class, the balance must be restored, and the injustice redressed.

CHAPTER XVIII.

RESTRAINTS ON THE NATURAL DISTRIBUTION OF WEALTH.

UNDER this head we class all defects in the laws relating to property, by which its possession or enjoyment by the rightful owners are rendered insecure.

The delay, the expense, and the uncertainty of obtaining justice in our courts in cases of disputed property, are too notorious to require illustration. They amount, in too many instances, to a complete denial of justice, and must go far to damp that sense of security for the full enjoyment of wealth, which is the principal stimulant to its production and accumulation.

One of the most obnoxious parts of the present system, is the extreme difficulty of recovering debts of small amount. It was to remedy this evil that Lord Brougham's bill for the establishment of courts of local judicature was introduced in the last session; and the rejection of this valuable measure by the House of Lords was one of the most impolitic and unwise steps they have for some time taken.

To Lord Brougham the nation looks in confident anticipation that he will redeem his pledge of prosecuting this and other equally expedient reforms in the law of property, undeterred by factious

opposition, and untired by repeated failure. His labours in this department have already produced valuable fruit; but his is not a mind to be satisfied with partial improvements. The late and the still sitting commissions of inquiry into the state of the laws cannot fail to be productive of great eventual good. Their task, we hope, will not be confined to consolidation and simplification merely, but will admit of radical amendments. The laws that relate to entail, primogeniture, and inheritance require revision—more especially in the case of Scotland. The general registration of landed property and of all claims upon it, as proposed in a bill which was likewise thrown out in the past session, is highly desirable. And an accurate registration of births, deaths, and marriages is much needed, not merely for statistical purposes, but for furnishing authentic evidence in cases of disputed property.

A reform of the criminal law is no less expedient in an economical point of view, than of the law of property. The very greatest of all impediments to the accumulation of wealth and the zealous putting-forth of industry is an inadequate protection of life and property against fraud or violence. Our system of police in the rural districts, and, with the exception of the metropolis, in most towns, is exceedingly defective. In fact, it has deteriorated, instead of improving, from the date of its original institution by our Saxon ancestors. The mode of appointment and the execution of the duties of the magistracy—especially in corporate towns—requires, and, we hope, is on the point of receiving early revision. And the whole

system of secondary punishments, including the treatment of prisoners in the penal colonies, the hulks, and the jails and penitentiaries, has long called for that reform which it will, probably, before long receive.

The attention of the government has been very properly directed for some time to these points; but it is not enough for government to be willing to introduce improvements of this nature, unless they are supported by the good sense of the community. There is a spurious and overstrained humanity abroad, which lavishes its sympathies upon the criminal, and neglects the interests of the virtuous and irreproachable portion of society which is his prey. There are philanthropists who seem to desire an almost complete impunity for offences, and to forget altogether that punishment must be dreaded in order to operate as a preventive to crime, and must be severe in order to be dreaded. The punishment of death has been already removed from many offences hitherto capital; and this relaxation might perhaps be carried still further with advantage;—but unless there is at the same time an increased severity in our secondary punishments,—some of which have, till lately, partaken of a character the very reverse of penal—the convict being placed in a better situation than he occupied before his offence—the safety of society will be fearfully endangered.

CHAPTER XX.

CONCLUDING OBSERVATIONS.

WE have thus run over, as fully as our limits permitted, the most prominent artificial impediments which either the officiousness of legislation, or its inadequate accommodation to the changing circumstances of society, has opposed in this country to the development of its industry, the increase of its aggregate wealth, and the just and natural distribution of that wealth among those who contribute to its production. These legislative blunders will amply account for the present strange, and indeed paradoxical, situation of so ingenious, enterprising, and laborious a people. Every step towards their correction will, we are confident, act like the removal of a heavy weight from the springs of industry. Each succeeding step will be rendered more easy of execution; and when they are all completely surmounted, it is impossible to doubt that the mass of physical suffering and unmerited privation we now see constantly around us will have wholly disappeared.

When our agriculture has been relieved by the permanent fixation of tithe on an equitable basis, the extinction of church-rate, the reduction and improved levy of poor-rate, and other local taxes,

and the facilitation of inclosures ; when our commerce and manufactures are wholly freed from the shackles of the system miscalled ‘ protective,’ and our countrymen no longer prohibited from making the most of their superior skill, ingenuity, knowledge, and mineral resources, and procuring the produce of much labour in other countries by a comparatively small outlay of their own ; when a revision of our monetary system shall have furnished to commerce a just and unvarying measure of value and instrument of exchange ; when freedom has been given to credit, and the last of the great legislative monopolies, those of banking and the manufacture of credit money, is abolished ; when the bulk of taxation is shifted from the shoulders of the productive to those of the unproductive classes, from industry upon wealth ; when justice is rendered cheap, certain, and easy of access, and property further secured by the improvement of our criminal and civil judicature ; when the abominable abuses of the poor-law are corrected, and idleness and vice no longer forced by premium, but repressed by punishment ; finally, when our colonial possessions are viewed in their true light, and treated as so many additions to the cultivable territory of the three kingdoms—so many landed estates at the command of any British subjects who choose to make use of them—so many rich and unlimited fields for the profitable employment of British industry and capital in the growth of raw produce to be exchanged for the manufactures of the mother country ; and when methodical arrangements are established on this principle for facilitating the removal of any local

redundancy of labour in these islands to those parts of the empire where, for ages to come, it must always be deficient; THEN will remunerative employment be secured to every British subject who is able and willing to work; then industry, being certified of its full and meet reward, will put forth its utmost energies; wealth will be created in greater abundance and in more wholesome proportions to the wants of consumers, among whom it will distribute itself more according to the principles of natural justice. Industrious pauperism will then be extinguished, and poverty confined to the sufferers from unavoidable casualty or wilful misconduct. Then will this country present a spectacle, such as the world never yet saw, of a dense, thriving, and happy population, blessed with a copious supply of the necessities, comforts, and luxuries of life—combining all the intellectual refinement, polish of manners, and assiduous cultivation of art and science, which are now the peculiar characteristics of old and populous states, with the ample remuneration for the inferior kinds of labour, which has been hitherto confined to the new and thinly-peopled. Then will other nations—among whom yet more barbarizing errors than deform our own statute-books are still prevalent—learn to reform their institutions likewise, after our example, and at the sight of our increasing prosperity. Then will the true principles of political economy, as deduced from the natural laws of social welfare, be universally recognized and followed as beacon-guides to the certain, continuous, and indefinite increase of public prosperity and individual happiness.

These principles we have shown to be simple, obvious, and easily put in practice. They are—briefly enumerated—just and cheap government, affording a certainty of protection to the person, and to property acquired by honest exertion or legitimate succession; freedom of industry and exchange; a due enlargement of the cultivable territory at the disposal of an increasing population; and a systematic prevention of pauperism, by the removal of any local surplus of labour to localities where it is deficient.

Simple and obvious principles these, yet hitherto neglected, or at much pains counteracted, as if on purpose to derange and disturb the natural progress of improvement. Simple as they are, we are confident they will prove sufficient, if honestly acted on, to redeem man effectually and permanently from economical misery, and secure to him the constant and unlimited enlargement of his means of gratification. It is in his power, we have fully shown, by a wise prudential arrangement of the resources he has at his disposal, in every corner of the inhabited globe, continually to advance in the acquisition of social well-being. It is in the power of the government of every community, appointed to watch over and promote its welfare, by a wise and prudent disposition of the means it is entrusted with, to command and maintain this advance; and without any approach to an equalization of *property*, (which would, indeed, be repugnant to the first principle of improvement,) to equalize, at least pretty generally, the happiness of individuals; to secure, at least, to the lowest class, and even to the poorest individual of that

class, an ample supply of necessities and comforts, in return for the not immoderate exercise of his industry, and the discharge of the duties he owes to society.

The elements of production are unlimited. *Land* of ample fertility we have proved not to be wanting. *Capital* will always, under security for its enjoyment and free use, spring up to meet the demand for it. *Labour* can never, by its deficiency, occasion distress. *Skill, knowledge, art and science* are daily improving in an accelerated ratio. All then that *can* be wanting, besides protection from force and fraud, is a judicious adaptation of these boundless means to their great end, the boundless augmentation of the wealth and happiness of society, individual and collective.

The writer is sensible of having touched very cursorily on many subjects of vast importance, and which may seem to require a more lengthened investigation. His object, however, has been, without dwelling too much on doctrinal refinements, to give a general and rapid, but yet, he hopes, a clear and succinct sketch of the true laws of social economy; to show that there is nothing in them, when rightly understood, mysterious or abstruse; and, in opposition to the narrow, disheartening, and, as he is convinced, utterly false doctrine of a modern school of economists—as to the existence of an iron necessity and unavoidable natural tendency to deterioration in the condition of the mass of mankind, through a decrease in their means of subsistence accompanying their increase in number—to vindicate the scheme of Providence and the nobility of man, by proving that the ordained

multiplication of his race has no such tendency ; but, on the contrary, that, coupled with the progress of invention and civilization, it has a direct tendency to multiply, without any visible limit, the comforts of existence procurable by an amount of labour at all times undergoing an indefinite diminution ; in short, that HUMAN HAPPINESS MAY, BY AN EASY EXERCISE OF HUMAN FORESIGHT, BE MADE CONTINUALLY TO INCREASE, NOT ONLY IN THE PROPORTION, BUT BEYOND THE PROPORTION, OF ANY POSSIBLE INCREASE OF THE HUMAN FAMILY.

Doubtless, in order to realize these bright prospects, there should be a *moral* improvement going on at the same time in the habits, disposition, and feelings of the people. But we are convinced that such improvement will be the certain accompaniment of an amelioration of their economical condition. Poverty is the fruitful parent of vice and crime, and the despair and negligence which a hopeless state of suffering engenders are utterly destructive of moral and orderly habits. Though the scope of our little work has been necessarily confined to economical ameliorations, we are far from shutting our eyes to the imperative necessity of concomitant reforms in our systems of moral and religious instruction. A general scheme of national education—of education, not merely in the elements of literature, but in the useful handicrafts, arts, and sciences ; and still more in habits of moral discipline, of self-control, of benevolent sympathy, and virtuous conduct, is indispensable, as was observed at the commencement of this volume, to enable a community even to make the best use of the economical resources they have at

their disposal, and certainly to secure to them that happiness which no abundance of physical enjoyments will afford, so long as the moral temper is in a diseased state.

The tendency of public opinion at present decidedly points towards such an object. Nor will it, we trust, be long before steps are taken for its attainment by those who have the power to carry into effect the measures of great public benefit which they may be willing to introduce. Reform in our *moral* will then accompany—we do not agree with a respected fellow-labourer in the good cause, that it must necessarily precede*—the reform of our *economical* condition. Both may well make progress together, each aiding and accelerating the advance of the other—both conspiring to the same great end—the enlargement of the sphere of human happiness.

* Dr. Chalmers, on the Expediency of a good Moral preceding a good Economical Condition of Society. Edinburgh, 1833.

THE END.

